

## EXTENSIONS OF REMARKS

## FAIR HOUSING PROBLEMS STILL EXIST

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. MOODY. Mr. Speaker, last year, Congress passed the Fair Housing Act Amendments which I strongly supported. The need for this legislation is clear. Twenty years after the enactment of the Fair Housing Act, discrimination in housing still exists. I want to bring to the attention of Members a new study which shows that vigorous enforcement of fair housing standards is still needed.

The study, "Residential Segregation of Blacks, Hispanics, and Asians by Socio-Economic Status and Generation," was conducted by two researchers at the University of Chicago. It is based on a "dissimilarity index" which measures the percentage of minority group members that would have to move in order to achieve an equal distribution across a metropolitan area. In other words, it determines the extent of housing segregation in a given metropolitan area. A dissimilarity index over 0.600 is considered high and one below 0.300 is considered low.

One conclusion of this study is very revealing: Black Americans are the only ethnic group that fail to achieve integrated housing even after moving into higher income levels. In the 20 largest metropolitan areas, black Americans earning more than \$50,000 had a dissimilarity index of 0.768 while those earning less than \$2,500 had a dissimilarity index of 0.806. While the figures for Milwaukee—my home city—were not publicly released, Milwaukee's profile is similar to Chicago's, where the index for blacks earning more than \$50,000 was 0.863 and the index for those earning less than \$2,500 was 0.911. Unfortunately, this is higher than the average for the 20 largest metropolitan areas.

Taken alone, the study does not provide de facto evidence of redlining or discrimination. However, taken in conjunction with another study published a few weeks ago by the Atlanta Journal and Constitution, the evidence of redlining and discrimination is stronger. The Journal and Constitution study found that black applicants for home mortgages were rejected twice as often as whites. Particularly troubling to me is the fact that the disparity in Milwaukee was the widest in the Nation.

I am deeply concerned about the implications of these two studies. All Americans have a right to decent housing in the neighborhood of their choice. The careful compromise of the Fair Housing Amendments will ensure that this right is reality.

Reports on the two studies from the Washington Post follow:

[From the Washington Post, Feb. 8, 1989]  
HIGH-INCOME BLACKS STILL LACK INTEGRATED HOUSING, STUDY SAYS WASHINGTON AREA FOUND RELATIVELY LESS SEGREGATED

(By Jay Mathews)

LOS ANGELES—A MAJOR STUDY OF 1980 CENSUS DATA HAS DETERMINED THAT BLACKS COMPRISE THE ONLY MAJOR ETHNIC MINORITY IN THE NATION THAT FAILS TO FIND HOUSING IN WELL-INTEGRATED NEIGHBORHOODS AFTER ACHIEVING HIGH INCOMES AND COLLEGE DEGREES.

The analysis by University of Chicago researchers also indicates that, although high-income, well-educated blacks in the Washington area remain segregated, they are less so than similar blacks in 18 of the 19 other major metropolitan areas studied.

The figures show that Hispanics and Asian Americans, unlike blacks, find homes in largely integrated neighborhoods once they reach high income and education levels.

"The fundamental cleavage appears to be between blacks and non-blacks," concluded Nancy Denton, a research associate and demographer at the university's Population Research Center, and Douglas Massey, professor of sociology and center director.

"No matter what their educational or occupational achievements and whatever their incomes, blacks are exposed to higher crime rates, less effective educational systems, higher mortality risks, more dilapidated surroundings and a poorer socioeconomic environment than whites, simply because of the persistence of strong barriers to residential integration," they said.

Denton, the primary researcher, said in an interview that the problem was underscored by a recent report in the Atlanta Journal and Constitution that the percentage of black rejected for mortgages from savings and loans nationwide was twice that of whites.

She said the relative ability of well-educated, high-income blacks to find integrated neighborhoods in the Washington area may reflect the large number of such blacks in the District and local officials' unusual sensitivity to civil rights concerns.

The study, to be published Wednesday in Social Science Quarterly is the latest in a series exposing the extent of black housing segregation through use of what the researchers call a "dissimilarity index."

The index computes the portion of minority group members who would have to move in order to achieve even distribution throughout a metropolitan area. Dissimilarity indexes of .600 and above are considered high and those below .300 low.

In the 20 metropolitan areas studied, blacks who earned more than \$50,000 annually had a dissimilarity index of .768, while blacks earning less than \$2,500 had an only slightly higher .806. Blacks with 17 or more years of schooling had a .702 index, compared with .803 for blacks with a fourth-grade education or less.

In the Washington area, blacks earning more than \$50,000 had an index of .654, compared with .792 for those earning less than \$2,500. Only Birmingham, with the traditional integrated housing pattern of

some southern cities, had a lower index for high-income blacks—.452 compared with .461 for its lowest-income blacks.

[From the Washington Post, Jan. 24, 1989]  
REPORT SAYS S&LS SHOW LOAN BIAS—BLACKS REJECTED MORE OFTEN, ANALYSIS FINDS

(By David S. Hilzenrath)

Savings and loan institutions reject black applicants for home loans twice as often as whites, according to a newspaper analysis of 10 million loan applications during the past five years.

In parts of the country, high-income blacks are rejected at the same rate as low-income whites, the Atlanta Journal-Constitution reported Sunday.

The Journal-Constitution based its analysis on Federal Home Loan Bank Board records of \$1 trillion in loan applications submitted to savings and loans nationwide from 1983 through the middle of last year. The report also showed a wide gap between rejection rates of whites and other minority groups.

Calling the findings "extremely disturbing," Senate Banking Committee Chairman Donald W. Riegle Jr. (D-Mich.) yesterday called on the bank board to explain why it had not analyzed the data itself and to offer an accounting of bank board efforts to enforce fair housing laws.

Civil rights activists and minority groups said the newspaper report confirmed what they have long asserted.

"It proves exactly what we have been saying for a long time—that there is . . . discrimination in lending," said Raul Yzaguirre, president of the national council of La Raza, a Hispanic civil rights group. "It means that the laws aren't working and we're going back to them and find a way of strengthening that legislation."

The newspaper reported that nationwide, the loan-application rejection rate was 11.1 percent for whites, 12.2 percent for Asians, 16.5 percent for American Indians, 18.2 percent for Hispanics and 23.7 percent for blacks.

The gap between blacks and whites in the Washington area is slightly narrower than the national average. While 15.7 percent of black applicants were denied mortgages here, only 8.5 percent of whites were rejected.

The disparity was widest in Milwaukee, where black loan applicants were almost four times as likely as whites to be rejected by savings and loans. High-income blacks were rejected more often than low-income whites in 85 of the 100 largest U.S. metropolitan areas during at least one of the past five years, according to the report.

Mark Clark, a spokesman for the U.S. League of Savings Institutions, an industry lobbying group, said the Journal-Constitution report does not show whether discrimination has occurred because key factors, such as the credit rating of the loan applicants, were not addressed.

As part of the settlement of a civil rights suit a decade ago, the bank board agreed to collect and analyze data on the race, sex and

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

marital status of loan applicants at each of the 3,100 savings and loan associations and mutual savings banks in the country, the newspaper said. However, the information was not analyzed until the paper obtained it through the Freedom of Information Act.

Jerauld Kluckman, director of compliance at the bank board's office of regulatory activities, said the numbers analyzed by the newspaper should have waved a "red flag" for examiners. "I think generally we could have been more diligent in using this information," Kluckman said, but he added that the bank board has been preoccupied with the financial crisis facing the savings and loan industry.

Until recently, the federal government had virtually no means of enforcing laws designed to protect home buyers from discrimination, according to civil rights activists. Last year, however, Congress amended the Fair Housing Act to create an enforcement mechanism.

Despite federal laws, low-income minority neighborhoods continue to receive a disproportionately low share of home loans, activists said.

In 1986 and 1987, the most recent years for which statistics are available, nine major lenders extended \$187 million in housing loans in the District of Columbia, according to Paul Battle, director of Washington Innerscity Self Help, a nonprofit group that focuses on housing for low- and moderate-income D.C. residents. Only 12.2 percent of those loans went to low-income and minority-dominated areas of the District, he said.

Predominantly white Ward 3 in Northwest Washington received the largest sum: 998 loans worth \$142.8 million, Battle said. At the other end of the spectrum, Ward 8 in Southeast Washington received 160 loans worth \$4.2 million, he said.

"Banks and savings institutions must meet the credit needs of low- and moderate-income communities," Battle said. "They aren't doing it right now. They definitely aren't doing it here."

Robert A. Barton, Jr., senior vice president of Perpetual Savings Bank, the area's largest thrift, said he was surprised by the Journal-Constitution's findings but doubted that discrimination was at work.

"I think the lenders in the [Washington] area have done a very good job in meeting those needs," Barton said. "Maybe I'm too naive or too trusting, I don't think so."

#### **SUPPORT THE REAUTHORIZATION OF THE WATER RESOURCES RESEARCH ACT OF 1984**

**HON. GEORGE MILLER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. MILLER of California. Mr. Speaker, today, Mr. CHENEY and I are introducing legislation to reauthorize the Water Resources Research Act of 1984 for 5 more years.

This bill passed the House last session without dissent. The Senate failed to bring this bill to a vote prior to adjournment. It is important that Congress move quickly on this legislation since the authorization for the Water Resources Research Program expires on September 30 of this year.

This is a highly successful program which deserves our support.

The program is designed to make sure that we have highly trained water resources professionals and well-planned research programs to develop practical solutions to the Nation's water and water-related problems. These objectives are accomplished through a nationwide system of water resources research institutes and a competitive national program for research grants.

This program is a cooperative effort, where State, Federal, and local levels of government come together to seek solutions to water resources issues and to jointly fund much of the work done under this program.

I urge all of my colleagues in Congress to join me, once again, to support this legislation.

#### **ISRAEL, THE MASS MEDIA, AND THE STATE DEPARTMENT HUMAN RIGHTS REPORT**

**HON. TOM LANTOS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. LANTOS. Mr. Speaker, the State Department recently released its annual country reports on human rights to the Congress of the United States. As the Washington Post commented editorially, "The State Department's country-by-country judgments have a value in focusing attention on things that need to be done, or done better, or not done." As the Democratic cochairman of the Congressional Human Rights Caucus, I welcome the continued scrutiny of human rights conditions in 166 countries around the globe. The issue of human rights is not a Democratic issue or a Republican issue—it is an American issue. It is a unique American contribution to international relations.

While I welcomed the report, I was shocked and appalled by the media coverage given that comprehensive 1,500-page document. Media attention was focused on only one country—Israel. These 15 pages of the State Department report received substantially more media coverage than the rest of the entire report combined. I can only describe the media's obsession with Israel—to the exclusion of the remaining 165 countries—as a pathological preoccupation.

Mr. Speaker, it would be naive for anyone to argue that Israel's human rights record is without blemish. But at the same time, during the last year Israel has been forced to cope with a violent internal uprising, a civil insurrection, while facing the constant threat of internal and external terrorism. Israel has had to take a number of restrictive actions in order to maintain its international security and domestic tranquility. But, in spite of its problems, as the Washington Post appropriately noted, "Israel, being democratic, offers its citizens basic rights and supports a process of law by which they can claim them" and "Israel is at heart a democratic country."

In large part because of Israel's democracy and press freedom, its problems in facing the challenge of civil insurrection are on the front pages of American newspapers and on our

television screens each night. In many other countries, where far more serious human rights violations have occurred, there is no freedom of the press or access for foreign journalists to document these abuses. This State Department report provides a balanced review of human rights in 166 countries, but again the media ignores the complete picture and attacks Israel.

The media have seized on the small section of the report dealing with the West Bank and Gaza—virtually disregarding the remaining 99 percent of the report, virtually ignoring some of the most outrageous human rights violations noted by the State Department since the annual reports began.

Mr. Speaker, for the benefit of my colleagues who may not have had the time or opportunity to read the full 1,500-page text of the report, I would like to mention only a few of the most deplorable items from the reports that the media did not deem worthy of mention.

What shocked me most in the report is the widespread use of poison gas and nerve gas by the Government of Iraq against its own civilian population. But since Iraq is a ruthless, totalitarian dictatorship, access to the places where these crimes against humanity were committed was completely restricted. Thus, the report can only estimate that about 8,000 innocent children, women, and men were killed by poison gas by the Iraqi regime. Furthermore, more than half a million Kurds in Iraq were forcibly transferred from their homes and their villages were bulldozed in Iraq's campaign to suppress Kurdish efforts to win political autonomy.

I also find it intriguing that the media has not paid the slightest attention so far to the fact that in 2 days last October—in just 2 short days—the Government of Algeria machinegunned approximately 800 of its own civilian population while attempting to put down food riots.

Another country with serious human rights violations—again ignored by the media—was Sudan. Countless bits of corroborating evidence confirm that between 100,000 and 250,000 Sudanese died as a result of the unwillingness of both the Government and the rebel forces to allow food to reach starving people.

The State Department report also discusses—but again the media ignored—Syria, where there is a "pervasive denial of human rights, including widespread torture and denial of freedoms of speech, press, association, and the right of citizens to change their government." The media also said nothing about Saudi Arabia, a feudal kingdom where amputation is a standard form of criminal punishment, where the practice of Christianity is outlawed, and where conversion from Islam is punishable by death.

Mr. Speaker, I urge my colleagues to examine the full country reports with great care, because the extensive media coverage hardly gives an accurate, balanced view of this comprehensive report.



## A DYING BREED

## HON. JOSEPH E. BRENNAN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. BRENNAN. Mr. Speaker, I wish to bring to the attention of my colleagues the following article, entitled "A Dying Breed," by Peter J. Brown. This article appeared January 19 in the Bar Harbor Times of Bar Harbor, ME. Mr. Brown's article documents the troubling decline of our merchant marine fleet and the implications of that decline.

[From the Bar Harbor Times, Jan. 19, 1989]

## A DYING BREED—MDI MERCHANT SEAMEN WATCH INDUSTRY DISAPPEAR

(By Peter J. Brown)

Mount Desert Island is home to many active members of the U.S. Merchant Marine. A century ago, Maine sent countless men to sea as the great "Downeasters," and huge coastal schooners plied international waters, laden with grain, lumber from the bustling port of Bangor and other varied cargoes. Times have changed and maritime jobs are fast disappearing.

Today American seamen face what, at the end of World War II, would have been an inconceivable scenario: the U.S. Merchant Marine fleet is shrinking rapidly to a point where more ships fly the flag of the U.S. Navy than belong to the U.S.-flag merchant fleet.

The decline of the U.S. Merchant Marine has prompted the formation of a special national commission to study the situation and make recommendations. This group, known as the Bennett Commission, has issued strong and urgent warnings about the adverse consequences of this ongoing reduction in U.S. merchant ships and skilled manpower.

Maine Maritime Academy (MMA) in Castine has attempted to better prepare its graduates today for a harsh job market that shows no sign of improvement in the near future. Engineers are offered a range of courses, focusing on the operation of large land-based power generating stations. Another new program focuses on the operation of boatyards. Still, many MMA graduates elect to go to sea, filling positions that are well below their level of training.

## TROUBLING TESTIMONY

Lester R. Smallidge of Pretty Marsh, MMA class of '57, is probably "the dean" of active island merchant mariners. He is the chief engineer aboard the 700-foot Farrell Lines container ship, *American Resolute*.

"People would be amazed by the amount of cargo—general and military—that is carried on foreign ships. The American people don't realize what is happening," said Smallidge. "If this [the U.S. Merchant Marine] goes down the tubes, then the American people will end up paying for it in the future, paying a lot more than we are now."

"The American people aren't aware of what they are losing," said Norris M. Reddish of Somesville, MMA class of '58. Reddish is chief engineer aboard the USMV *PFC William B. Baugh*, a huge so-called "maritime prepositioning ship," operated under contract by the Maersk Line for the Military Sealift Command out of Diego Garcia in the Indian Ocean. This ship carries all the necessary supplies for an entire Marine Amphibious Brigade.

"Look at Canada. They sat back until their fleet was down to only two ships. Then, the Russians and others who were carrying their freight began to demand much higher rates, saying, 'Well, if you don't want to pay these rates, then we won't haul it.' Now, Canada has a massive building program underway," said Reddish.

"Congress doesn't want anything to do with it," said James W. Corbett of Bar Harbor, MMA class of '69.

"Most other nations support and subsidize their merchant marines, ours isn't. In the event of a national emergency, a time when we're really needed, people are going to ask, 'What happened to our merchant marine?' The answer is simply that we don't have one anymore."

## A DIFFERENT LIFESTYLE

Corbett is a chief engineer for Crest Tankers, Inc., aboard a 600-foot tanker called *S.S. Chablis*. He has always worked aboard tankers. He likes the job; he's gone for three months at a time and then stays home for two months with his wife, Suzanne, and their three children.

"I prefer seeing different places. It's unpredictable. I go all over the world," he said. "Growing up in Otter Creek, I spent a lot of time on the water. As a senior in high school, I wasn't sure what I was going to do. When the recruiters came to the high school from MMA, they emphasized the travel and the good wages, so I applied and I was accepted."

He has seen many changes in his industry over the last 20 years. He believes that the shipboard environment is much more informal and relaxed than it used to be. It is less military in nature, while at the same time, the long-term job security and the sense of opportunity is gone.

## SHIPPING TRANSFORMED BY TECHNOLOGY

The great ports of the world, led by cities such as Hong Kong, Rotterdam, New York-Port Elizabeth, Yokohama and Los Angeles-Long Beach, now function like huge airports with immense container ships, tankers and bulk carriers flowing in and out. This round-the-clock activity is subject to very tight scheduling, and it is monitored by computerized traffic control points.

Fantastic amounts of cargo can be loaded or off-loaded at stunning speeds—measured in hours, not days. Rapid turnaround time is essential as immense ships must be in constant motion in order to achieve profitability. Gone almost entirely are the teeming ranks of stevedores. Machines have replaced muscle-power. Dockside, huge mobile cranes shuttle 20- or 40-foot containers around.

The shipping companies have changed as well. Some lines adapted well to the new technology and shift in trade patterns, but many more have simply disappeared, like American Export Lines and Grace Lines. Two years ago, U.S. Lines folded, a move that stunned the industry. Lester Smallidge mentioned that his company, Farrell Lines, has shrunk from 32 ships to five ships. The only major U.S. shipping companies that have survived a prolonged shakeout in the industry are Sea-Land, Lykes Lines, American Presidential Lines and Farrell Lines.

Sea-Land, for example, is the firm that introduced containerization technology, a move that revolutionized shipping worldwide. Today, Sea-Land is tied into one large "intermodal network" consisting of railroads, trucks and barges as well as a telecommunications grid, all operated by a Virginia-based transportation conglomerate called CSX.

Ships are increasingly automated, able to run virtually by themselves with a handful of men on duty. They are linked to their home offices by satellite. The crews on board the ships have, in most cases, been greatly reduced in number. It is not uncommon to find less than two dozen men running a ship as long as three football fields.

"We do things more efficiently. We move more oil quicker with less people," said Jeff Lambert of Bar Harbor, MMA class of '73. "It's been streamlined to the point where there's really no room for improvement."

Lambert followed in his brother Butch's footsteps, and currently serves as chief mate aboard a 651-foot tanker named *Chevron Colorado*. For years he worked in Alaska, hauling fuel oil to ports all over Alaska, and he has fond memories of that period in his life. However, like most of his fellow merchant mariners, he has become pessimistic in his view of the industry as a whole and its future.

"The job prospects are not there. The U.S. Merchant Marine is a dying breed; we're becoming obsolete. The Jones Act is keeping us alive. Soon, all you will have left is a commercial fleet serving the military," he said. "I don't know how the maritime schools are going to remain open. Things are going to get worse before they get better."

## DANGER AT SEA

And a life at sea can be very dangerous; just ask David L. Bracy of Bar Harbor, MMA class of '64. He survived a spectacular collision that claimed a dozen men in New York Harbor in 1972. His entire ship was set ablaze.

A veteran of many crossings of the North Atlantic northern Europe, Bracy has seen his share of angry seas as well. Routine encounters with storms are less frequent today, thanks to a combination of much-improved weather forecasts and satellite communications that enable most ships to avoid bad weather.

"We got hit by one wave between Genoa and Barcelona, in the Mediterranean Sea. I was in the engine room at the time, on this old C-2 cargo ship (about 400 feet long), and I was afraid that the pipes were going to rupture. When we got to the dock, you could see right through this crack in the deck, right through the hull and out the other side of the ship. The wave must have been 60 or 80 feet high, and 40 feet is considered big," he said.

## TOUGH ON FAMILIES

Norris Reddish thought about going in the U.S. Coast Guard, but he went to MMA instead. He goes to sea for four months and then returns to his wife, Elaine, and their two children for a two-month vacation. It is a lifestyle that many people find difficult to accept. It takes its toll on family life.

"I was very lucky. I was home a lot of holidays, a lot of summers," Reddish commented. "This kind of life is hard on the children. As for the wives, well, a woman has to be able to stand on her own two feet."

Divorce and alcoholism are often part of the picture. Paula Lambert's husband, George R. "Butch" Lambert, of Bar Harbor, has been going to sea for years, and yet, she still has a hard time adjusting every time he sets sail.

"It's upsetting. When they sail, you have to go back to being independent. People just don't understand this industry," she said.

It's tough on the men, too.

"It's two completely different lifestyles," said Jim Corbett. He describes the ship as "a lonely lifestyle," very different from a home, filled with three kids. It still takes time for him to unwind.

Jack Cunningham of Bar Harbor serves as a third mate. He graduated from MMA in 1980. He is either at sea or fishing, so he feels that things have worked out well for him. He also thinks that the job market is better now than it was four or five years ago.

He has a wife, Beth, and two kids, with a third on the way.

"My wife can adjust to my being away. It's like all of sudden she's everything. As far as the kids are concerned, my oldest seems to take it okay, but my youngest has a hard time for the first couple of weeks, then he gets used to it." He said. "I don't like being away, but I like the work. Once you're on the ship, you throw yourself into it."

Lester Smallidge sums up his feelings this way.

"The Merchant Marine has been very good to me—I've been in it for 32 years, but the romance is gone. There is not that much of a future in it now."

### H.R. 128, THE HANDGUN REGISTRATION ACT OF 1989

#### HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mrs. COLLINS. Mr. Speaker, at the onset of the 101st Congress, I introduced H.R. 128, the "Handgun Registration Act of 1989" which would require the States to establish a handgun registration program. The bill specifies characteristics that such a program must include, such as penalties for serious and nonserious violations. Additionally, the bill directs a Federal handgun registration program to go into effect in States which fail to establish an adequate program.

This legislation has become necessary as our country has become addicted to guns. The victims are not often criminals, and, with increasing regularity, the perpetrators had not been criminals either. Often, the simple accessibility of handguns escalates arguments into accidents. Very recently a 6-year-old Virginia boy shot and killed his 8-year-old sister after she scolded him for playing with a gun. This is just one in a string of incidents where very young children are being shot and killed as a result of playing with guns.

The proliferation of firearms is highly visible in Chicago where the numbers of weapons on the streets and resulting crimes is constantly increasing. The Chicago Police Department reports that in 1988, over 14,000 firearms were confiscated, up from 12,602 the previous year; that 10,206 aggravated assaults by shooting were committed, up about 700 from 1987; and that armed robberies increased from 12,943 in 1987 to 13,090 in 1988. These numbers are dramatized by the raids at the beginning of this month on two homes which yielded 31 handguns, 18 other guns, 24 explosives, ammunition and cocaine.

Illegally acquired guns are terrorizing our cities' schools where many youths view them as a symbol of power and glamour. In Baltimore, 64 percent of city high schoolers said

they knew someone who had carried a gun in the past 6 months. Sixty percent knew someone who had been shot, threatened, or robbed at gunpoint in their school. And almost half of the male respondents admitted to having carried a gun at least once. The January bloodbath at Wilson High, here in the Washington area, is a clear instance of the catastrophic consequences that can result.

Fear snowballs the problem. Now that classroom bullies carry guns, their victims and other classmates have started carrying them out of fear—in actuality only putting themselves in greater danger. Typically, one classmate teases another about his weight, one makes a pass at another's girlfriend, or one will try to steal another's jewelry. But instead of being sent to the principal's office, they're being sent to the morgue. In 1985, alone, there were 27,000 handgun victims between the ages of 12 and 15.

The main factor contributing to this violence in schools is the availability of guns. Newsweek reported last year that "in recent years, city streets have become flooded with unregistered and untraceable handguns, available to anyone of any age with a bit of cash. In New York, revolvers can be bought on street corners for as little as \$25. Some dealers are even willing to 'rent' a gun for an evening, deferring payment until the teen can raise money through muggings and robberies. Youth gangs in Los Angeles protect their turf with black market Uzi submachineguns and Russian-made AK-47 assault rifles."

This can no longer be ignored. Over 2 million guns are being manufactured and sold annually in the United States alone. Putting tighter controls on them is just common sense. The need for such controls is well demonstrated by a recent article in the Washington Post that described the situation in Portland, ME. Police in this city are not allowed to ask the applicant why he or she wants to carry a weapon. Even when the police know an applicant to be under the care of a psychiatrist, they are not allowed to speak with that psychiatrist. In short, "anyone with a driver's license, birth certificate, and \$20 dollars \* \* \* [is] able to walk into police headquarters, complete a form and gain the right to carry a concealed weapon."

What I am proposing is to require States to have a handgun registration program. This idea has already proven effective in other States: One year after New York passed a law requiring anyone caught with an unregistered handgun to serve a mandatory 1-year prison sentence, murders were down 20.6 percent. One year after a similar law took effect in Massachusetts, homicides in Boston dropped 57.5 percent.

Under the provisions of the bill, the States must—within a 2-year time period—establish a handgun registration program. Anyone found in serious violation of this registration requirement would be sentenced to not less than 12 years and nonserious violations would result in not less than a 1-year sentence. In the event a State does not comply with the establishment of a registration program within the 2-year timeframe, a Federal handgun registration system would be imposed until the State has complied with the order to create its own system. As incentives for the States to

comply, the specifications for the Federal system are even more stringent than those of the required State systems, and certain forms of Federal assistance will be suspended including law enforcement funding and FBI training of State and local criminal justice personnel.

This bill would assist law enforcement officials in apprehending criminals who might evade more serious crimes. Second, it would deter criminal activity in the sale of black market guns and punish those caught with an unregistered handgun. Most importantly, it would reduce the amount of handgun homicides.

Mr. Speaker, this bill has nothing to do with banning handguns. Instead, it is concerned with reigning in the untamed violence and bloodshed that is destroying our country.

### PHYSICIAN ASSISTANT SERVICES NEEDED

#### HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. WYDEN. Mr. Speaker, today I am joining with the distinguished senior Senator from Iowa, Senator GRASSLEY, in introducing legislation to provide Medicare part B coverage of physician assistant services in all practice settings not presently covered by statute.

This is an effort Senator GRASSLEY and I began several years ago which, while partially successful, still needs to be addressed. Congress has, on several occasions, approved Medicare part B coverage of physician assistant services in a wide variety of practice settings.

Present law currently recognizes PA services provided in hospitals, nursing homes, rural health manpower shortage areas, health maintenance organizations, competitive medical plans, rural health clinics, and for assisting at surgery. However, PA services provided in a physician's office located in nonrural manpower shortage areas or for house calls, are still not covered.

It is my hope and intention, Mr. Speaker, that the 101st Congress will address this inequity. Many low income urban and rural communities, with high Medicare eligible populations are served primarily by physician assistants. But because of inconsistencies between how State laws allow PA's to practice and what Medicare will cover, these beneficiaries are treated as second class citizens.

During both the 99th and 100th Congress, Senator GRASSLEY and I were joined by over 130 of our colleagues in the House and Senate in cosponsoring legislation similar to that being introduced today. Some areas were addressed. However, because the victory was not total, we are introducing this new legislation to cover those PA services not included in the OBRA provisions.

As with past efforts, payment for PA services would be on a discounted fee basis. Specifically, services provided by a PA in the doctor's office or in the patient's home would be covered at a rate not to exceed 85 percent of



the physician's prevailing charge for that same service.

Payment would be to the employer of the PA, not to the PA and the employer would be required to accept assignment for the PA's services. Because physician assistants are dependent practitioners, services would also have to be rendered under the supervision of a physician.

As sometimes happens, Mr. Speaker, considerable confusion has occurred on this issue with respect to the possible costs to Medicare of making such a change. When I first introduced this legislation approximately 3 years ago, the Congressional Budget Office determined that there would be no adverse financial impact on the Medicare Program and that such a change in law could possibly lead to long-term savings in the Medicare Program.

These findings were substantiated by an article in the spring 1987 issue of Health Care Financing Review, which included a report on a Medicare demonstration project established to examine the impact of covering PA services provided in urban clinics. This study found:

The Medicare savings on the inpatient and hospital outpatient side appeared to more than compensate for the increased expenditures for physician and ancillary services, suggesting potential overall savings to Medicare from the wavier program.

This report substantiates the Congressional Budget Office's determination on the original Wyden/Grassley bill that covering PA services would have no short-term budgetary impact and could lead to long-term savings in the Medicare Program.

Finally, Mr. Speaker, I should note that this past fall, the Secretary of Health and Human Services issued a report on impact of the PA provisions included in the 1987 Omnibus Budget Reconciliation Act, as directed by Congress. While the Secretary recommended no changes in the coverage available—either to expand or repeal—his report also points out that there have been no adverse effects.

I believe our legislation represents a reasonable approach to our common concern about improving access to health care while restraining costs. Covering PA services under Medicare will help to improve access to care for millions of Medicare beneficiaries and lead to the long-term savings we are all trying to achieve.

I urge my colleagues to join me and Senator GRASSLEY in making the coverage of PA services a reality in all settings.

H.R. —

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. MEDICARE PAYMENT FOR PHYSICIAN ASSISTANTS IN ALL SETTINGS.

(a) IN GENERAL.—Section 1861(s)(2)(K)(i) of the Social Security Act (42 U.S.C. 1395x(s)(2)(K)(i)) is amended by striking "(I)" and all that follows through "health manpower shortage area."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after October 1, 1989.

#### TRIBUTE TO FLORENCE DOBROW

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. TORRICELLI. Mr. Speaker, it is with admiration and respect that I rise today to pay tribute to Florence Dobrow, a 40-year resident of Fair Lawn, NJ. Florence, or Flossie, as she is affectionately known by her Fair Lawn friends, has held a special place in her community in her terms as mayor, deputy mayor, and councilwoman since 1975.

Flossie's activism on behalf of the citizens of Fair Lawn, and her sense of commitment to her borough, are qualities that we have all come to admire and respect. I, therefore, take pride in recognizing the many accomplishments of this fine friend and public servant. Flossie, besides serving in town government for many years, has also played a part in many other community projects and boasts a long list of accomplishments. She has helped to initiate a free minibus route for seniors and others in town, along with helping to create a senior citizen's recreational center. In terms of the environment, Flossie has been a true champion of this worthy cause as is evident in her work to have contaminated water wells purified, new water wells dug, the implementation of a new recycling program as well as a new yard waste program. She has also taken an active interest in the development of a new master plan for Fair Lawn.

Florence Dobrow is indeed a woman who deserves our respect and appreciation. It is with great honor and pleasure that I am able to pay tribute to her as she is honored for her years of dedication to the Borough of Fair Lawn as councilwoman. I wish her continued health and happiness in the many more productive years to come, and am proud to call her my friend.

#### THE 1988 REPORT TO THE NATION—BOY SCOUTS OF AMERICA

HON. JAMES A. HAYES

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. HAYES of Louisiana. Mr. Speaker, the president and chief scout executive of the Boy Scouts of America have submitted their report to the Nation for 1988. I am pleased to include that report in the RECORD, as follows:

#### THE 1988 REPORT TO THE NATION—BOY SCOUTS OF AMERICA

Scouting has been a participant in American community life for more than 79 years. Although the basic concept of Scouting is the same today as first conceived by Robert S. S. Baden-Powell at the beginning of this century, Scouting is concentrating on meeting the needs of today's youth.

Hunger, drug abuse, child abuse, illiteracy, unemployment: We call these five critical issues the unacceptables of today's society. Scouting is not standing idly by while our society is riddled with these challenges.

Scouting is making a difference in the lives of the people of this nation.

Scouting for Food, a 1988 national Scouting Good Turn, became an overwhelming success as more than 60 million cans of food were amassed by Cub Scouts, Boy Scouts, and Explorers. This was the largest collection of foodstuffs ever undertaken in the United States. The food was turned over to local food banks for distribution to the hungry in November 1988. Assisting in loading and delivering the food were the National Guard, Army Reserve, and other organizations that have trucks.

The Drugs: A Deadly Game campaign, which began in 1987, continued to fight the most serious threat to the well-being of our children: Drug and alcohol abuse. BSA anti-drug materials were used by organizations nationwide. The "Boston Tea Party II," a reenactment where drugs were symbolically thrown into Boston Harbor by Explorers attending the National Law Enforcement Explorer Conference, is typical of the Drugs: A Deadly Game program. Drugs: A Deadly Game receive a 1988 Presidential Citation for Private Sector Initiatives.

Child abuse is something everyone would like to ignore. However, it is a very real concern through the nation and of the Boy Scouts of America as well. Too many of our nation's children have been victims of abuse. The Boy Scouts of America is providing youth protection training to help leaders recognize and prevent child abuse. Extensive steps have been undertaken to screen potential leaders and reject those who are unacceptable as youth leaders.

The Boy Scouts of America promotes good reading through Boy's Life magazine, the Official Boy Scout Handbook, and thousands of literature items for both youth and adults, much of which is appropriate for nonmembers as well as members. Scouting publications are carefully written for the age and/or grade level of the youth or leader using them.

Scouting teaches goal setting and self-reliance and Scouts are expected to strive toward the highest goals they can achieve—to do their best. In Career Awareness Exploring, out teenagers combat unemployment and discover the world of work through instruction and hands-on experience. Strides made in combating drug abuse, illiteracy and child abuse improve performance in the workplace.

For the ninth consecutive year, the Boy Scouts of America has announced an increase in membership. An overall 1.3 percent gain was achieved over 1987. In 1989, 990 units there are 5,377,493 youth members and leaders. There are 313,703 Tiger Cubs, 1,835,642 Cub Scouts, 969,685 Boy Scouts, 57,009 Varsity Scouts, 361,733 Explorers, 695,229 Career Awareness Explorers, and 1,144,492 leaders.

As a result of the New-Troop Teleconference, 6,555 new troops have been organized. Hugh Downs, of ABC's "20/20" program and long-time supporter of Scouting, hosted the teleconference held on March 10, 1988. Boy Scout recruiting skyrocketed to new heights with virtually every council participating in this colossal effort to organize new Boy Scout troops. During this telethon event, local councils obtained commitments from potential chartered organizations to organize new Boy Scout troops and telephoned them to the teleconference command center where they were tabulated by volunteer national representatives from chartered organizations.

The National Council of the Boy Scouts of America held its biennial meeting in San Diego, Calif., May 18-20. The meeting was attended by key volunteer and professional leaders. Harold S. Hook, chairman and chief executive officer of American General Corporation, Houston, Texas—and an Eagle Scout—was elected our new national president.

The Silver Buffalo Award for distinguished service to youth was presented by the National Court of Honor to 18 individuals. The 1988 recipients were: Daniel W. Derbes, La Jolla, Calif.; John M. Gibson, Drumore, Pa.; Earl G. Graves, New York, N.Y.; Eugene F. Reid, Santa Barbara, Calif.; Roy W. Hawkinson, Minneapolis, Minn.; Marion D. Hanks, Salt Lake City, Utah; Reuben Hitchcock, Keswick, Va.; James F. Gary, Honolulu, Hawaii; William C. McCord, Dallas, Texas; Marshall M. Sloane, Somerville, Mass.; Vaughn J. Featherstone, Salt Lake City, Utah; A. Gerow Hodges, Birmingham, Ala.; Henry B. Murphy, Trenton, N.J.; John W. Thomas, Jr., High Point, N.C.; Robert F. Harbrant, Washington, D.C.; Ben M. Hauserman, Cleveland, Ohio; Charles M. Schulz, Santa Rose, Calif.; and William Aramony, Washington, D.C.

The National Court of Honor also presented the following to recognize acts of bravery for lifesaving and meritorious action: 6 Honor Medals with Crossed Palms, 25 Honor Medals, 77 Heroism Awards, and 136 Medals of Merit. In 1988, 27,163 youths advanced to the rank of Eagle Scout and 12 Sea Explorers received the Quartermaster Award. The Distinguished Eagle Scout Award was presented to 86 outstanding men who had earned the Eagle Scout Award at least 25 years earlier, have excelled in their business or profession, and are exemplary citizens.

Scouting for the Handicapped continues to be a viable part of the Boy Scouts of America. It is geared to give Scout-age youth with handicaps the opportunity to be a part of Scouting so they can learn, grow, and develop to their maximum potential. Creative and innovative methods are being used to increase the opportunity for serving youth with handicaps. Presently the BSA is using three major support systems to deliver this program: mainstreaming, special organizations, and in-school Scouting for the Handicapped.

Scouting is a positive influence in today's world, while still adhering to Baden-Powell's original idea. Scouting has survived for 79 years because it is in tune with the times. The achievements recorded in this report represent only a small portion of the accomplishments of Scouting in 1988. The real impact of Scouting is seen in the adult, who was a member of a patrol or den in his youth. His life is better because he was a Scout.

## DEFEAT OF THE PAYRAISE IS A FAILURE OF DEMOCRACY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. DINGELL. Mr. Speaker, in light of the continuing debate over the efficacy of the recently defeated pay raise for high ranking Federal officials, I thought my colleagues might be interested in a recent column written by Carl Rowan that appeared in the Toledo

Blade on February 17, 1989. The headline of the article, "Defeat of the Payraise Is a Failure of Democracy," captures the essence of the article.

[From the Toledo Blade, Feb. 17, 1989]

### DEFEAT OF PAY RAISE IS A FAILURE OF DEMOCRACY

(By Carl Rowan)

When democracy works, with well-informed and well-intentioned people speaking their will, it is the best form of government ever devised by man.

When democracy fails because the people become steeped in demagoguery, their visions are blurred by ignorance and jealousy, or their spleens are inflamed by the cowardice and greed of elected and appointed officials, government "by the people" can become a social and political abomination.

The dead pay-raise plan for members of Congress, federal judges, and top officials of the executive branch is a monumental failure of democracy.

A lot of Americans are rejoicing that a "public uprising" defeated "outrageous" pay increases. They would not be celebrating if they understood that they have pushed this nation closer toward a situation where the Senate, and more and more the House, become the private domains of the wealthy or the not-so-wealthy who are willing to take millions of dollars from those buying influence in the White House, the Pentagon, the Small Business Administration, and elsewhere.

The celebrators will wake up to find not only that can a cowardly Congress that won't vote for a pay raise become a corruptible Congress but that we could see an erosion of intellect, integrity, and independence in our judicial system. Oh, there will always be a surplus of people clamoring to become federal judges. But when the pay is outrageously low, those seeking the jobs are bound to lack competitiveness in the private world of law or have some suspect agendas from a simple lust for power to a commitment to protect drug honchos, money launderers, and other crooks.

Some troubled farmers in Iowa, airport skycaps in Washington, plumbers in San Bernardino may think that a \$135,000 annual salary for "a bureaucrat" is thievery, but they do not understand what is done and what pay is deserved by the scientists, physicians, and others who sacrifice mightily to try to find cures for cancer, diabetes, AIDS, and other diseases that afflict in disproportionate the poorest-paid people in the land.

Middle-class people ought not exult over the defeat of this pay-raise proposal. They should be mounting a crusade to separate the pay of the members of Congress from the salaries of judges and the top executives who do the public's business at great sacrifice.

Give judges, cabinet members, and others the raises they clearly deserve and let the cowards in Congress stew in their own timidity.

Democracy is nice. But that shouldn't mean that someone bagging groceries at a Boca Raton supermarket or inspecting meat at a packing plant in Minnesota is qualified to set pay levels for people who work incredibly long hours making decisions and passing laws that affect the lives of every citizen of this nation and sometimes all who live on this planet.

So 474 members of Congress, most of whom were salivating over the expected pay raise, turned tail and fled to the high grass

when they had to cast a vote. That ought not become social destructiveness that we are powerless to control.

All we need is a president and a few good men in Congress to say that the judges and the leaders of the cabinet and other agencies must get raises that are overdue. If that doesn't give backbone to a majority of Congress, the votes can decide whether they want to re-elect people who would rather hold power on the basis of speech honoraria and influence peddling rather than a straightforward statement, "This is what I'm worth, and I'll take it."

Tuesday's "triumph" by congressional wimps must not remain a curse on the quality and integrity of our government.

## THE WORLD TRADE EXPANSION, DEVELOPMENT, AND FINANCIAL STABILITY ACT OF 1989

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. PEASE. Mr. Speaker, today I am reintroducing the World Trade Expansion, Development, and Financial Stability Act of 1989, a bill that addresses the international debt crisis. My colleague, Congressman TORRES, a distinguished member of the Banking Committee, is an original cosponsor.

### THE REALITIES OF THE DEBT CRISIS

The first reality of the debt crisis is that it has thrown a monkey wrench into the international economy. The average growth rate for debtor countries has been only 1 percent from 1980-87, compared to an average of 6.1 percent from 1970-79. Because of debt service requirements and little new lending, there exists a net resource transfer from the developing to the developed world of \$30 billion annually—an inherently unsustainable position for developing countries. Developing countries must have capital to grow. Since they are unable to generate the needed savings domestically, they must receive a net capital inflow from abroad.

The U.S. trade balance has also suffered. Severe import restrictions and aggressive export promotion by the debtor nations to generate large trade surpluses have seriously distorted international trade patterns. During the first 2 years of the debt crisis, imports of the 17 highly indebted less-developed countries dropped by 40 percent, and by 1986 they only slightly exceeded their 1978 level. Exports of U.S. products to Latin America have dropped by nearly 30 percent, from a high of \$42 billion in 1981 to around \$30 billion today. The Overseas Development Council estimates that the United States lost 1.8 million jobs between 1980 and 1987 due to the decline of exports to developing countries.

A second reality is that the debt is unlikely to be paid in full. In secondary markets, which reflect the actual value of loans, most LDC loans sell at 40 to 60 percent of face value. Although banks have raised capital reserves in anticipation of future losses, they have no incentive to forgive the amounts charged off; bank managers have a responsibility to their



shareholders to collect every penny of outstanding debt.

Finally, the Baker plan is not working. The Baker plan was premised on the idea that LDC's can outgrow their debt problems if they receive sufficient new lending from the developed world and undertake market-oriented reforms. Though well-intentioned, the Baker plan has not resulted in significantly increased lending to debtor countries. No sane banker is going to lend new money to a heavily indebted LDC knowing that money lent at 100 cents on the dollar today may be discounted at 50 cents on the dollar in a few month's time.

#### THE URGENT NEED FOR A SOLUTION

Clearly, this is a problem that begs for a solution. A workout between the banks and the highly indebted developing countries—that is, debt relief—is inevitable. Rather than waiting for a crisis to drive this process, creditor countries should seek to manage it in the most orderly and economically beneficial fashion possible.

Increasingly, Congress is recognizing that we need to consider new options for managing the debt crisis. Senators BRADLEY and SARBANES and Representatives SCHUMER, LA-FALCE and others have presented thoughtful, well-crafted plans for confronting the debt crisis. The 1988 Trade Act requires the Treasury Department to analyze the feasibility of establishing an international debt facility to serve as an intermediary between creditors and debtors, an idea that my bill promotes. Having received a 3-week extension from its February 23 deadline, Treasury will report its findings to Congress on March 16.

#### HOW THE PEASE PLAN WOULD WORK

My bill would establish an international debt facility in the International Monetary Fund, which would purchase debt from banks and pass discounts on to debtor countries. Because of the IMF's substantial reserves, an international debt facility would not require appropriated startup funds from the participating countries.

Specifically, my plan would require Treasury and IMF officials and economists to assess the real value of outstanding LDC debt based on the ability of countries to pay; that is, the secondary market value. In response, the banks would have two options: either increase their reserves to the level of the Secretary's estimate of discount—the difference between the face and real values of the loans—or sell LDC debt to the newly created IMF facility at the real value of the loans. If they participate, banks have the option of writing their losses off over 5 years and reaping a tax benefit.

The IMF facility would pass the discounts directly on to the LDC's. In negotiating a payment plan, the IMF would attach conditions to the loan, but the conditionality that I propose is less intrusive than that practiced currently. My plan would require LDC's to meet specific targets for balance of payments and reduction of capital flight. Only if these targets are not met would more traditional conditionality become effective.

#### ADVANTAGES OF THE BASE PLAN

There are numerous advantages to my plan. For the banks, the plans would remove bad debt from their books and replace it with debt of a reliable institution, the IMF. Management

would be free to put the LDC debt problem behind it and move on to greener pastures. In addition, the banks would receive a tax benefit from the writeoff of bad loans, with losses spread over 5 years.

Debtor nations would get a major, immediate reduction of their debt burden, allowing them to increase imports and spur economic growth. As long as the balance of payments and capital flight targets are met, they also have flexibility in their economic policy choices, unlike current IMF conditionality.

The advantage to U.S. taxpayers is that no appropriations are required for the IMF special facility. Granted, tax revenues will fall as a result of banks writing off losses, but if we do not resolve the debt crisis soon, the costs could be much greater. A global economic downturn could lead to an LDC moratoria on debt payments and greater losses both to banks and the IMF, which would affect taxpayers greatly.

U.S. exporters would also gain. If debt service is reduced, LDC's will have greater resources for importing U.S. products.

#### THE TIME FOR ACTION IS NOW

Time is slipping. We need to act now to resolve the debt problem. While the Bush administration stalls, Congress is taking the initiative on the issue. The Banking Committee, led by new Chairman HENRY GONZALEZ, made international debt the subject of the first congressional hearings of the year. In this opening statement, Chairman GONZALEZ described the debt crisis as a ticking time bomb, which threatens the international financial system, costs the United States jobs, and most importantly, exacerbates the poverty already rampant in the Third World.

Clearly, it is in our best economic and foreign policy interests to reduce Third World debt. I ask the support of my colleagues to make debt reduction a reality. Thank you.

#### PRICE-ANDERSON ACCOUNTABILITY MENTS OF 1989

#### FINANCIAL AMEND-

#### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. MILLER of California. Mr. Speaker, I am pleased to introduce legislation to extend a modest amount of financial liability to Department of Energy [DOE] nuclear contractors for accident damages caused by their own gross negligence or willful misconduct. This legislation will improve the safety of DOE nuclear facilities by giving DOE contractors a financial incentive to operate these facilities in a safe and responsible manner. The bill will also protect the American taxpayer from paying for accident damages caused by the carelessness of DOE contractors.

This legislation will close a gaping loophole in current law which exempts DOE nuclear contractors from any financial liability for damages that result from an accident they cause. To make matters worse, these contractors are not liable even if the accident is caused by their own gross negligence or willful misconduct. By contrast, commercial nuclear power-

plant operators are liable for over \$7 billion in damages regardless of whether they are negligent.

In a surprising public admission, one contractor gave the following description of a DOE nuclear contract to the Associated Press on September 11, 1987:

You have nothing at risk, the Government provides everything, so the return on investment on that kind of business is essentially infinite.

This lack of contractor accountability contributes to the countless safety abuses committed by DOE contractors. These abuses have included: widespread and repeated violation of DOE safety rules and procedures; the failure to report serious safety problems to DOE; and, the release of significant amounts of radioactivity into the environment.

At his February 22, 1989, confirmation hearing, Adm. James Watkins, the DOE Secretary-designate, agreed that DOE contractors need to be made more accountable for the results of their own actions. In reference to a recent reactor operator errors at the Savannah River plant, Admiral Watkins stated, "I don't believe the accident \* \* \* is solely the responsibility of the United States when the procedures the contractor agreed to were not followed. I'm not talking about willful negligence. I'm talking about negligence."

I am extremely heartened by Admiral Watkins' statement in support of increased contractor accountability. I believe that this legislation presents an excellent mechanism to achieve this goal and am hopeful that Admiral Watkins will strongly support it when he becomes Secretary of Energy.

Admiral Watkins' statements on the contractor accountability issue present a stark contrast to the views expressed by former Secretary of Energy Herrington on this issue. From my perspective, recent events have made many of the arguments made by Secretary Herrington and others against contractor liability almost laughable.

In a June 3, 1987, letter to Representative PHILIP R. SHARP, Secretary Herrington opposed increasing contractor liability on the grounds that it would disturb the "special working relationship" that DOE had with its contractors. It is now obvious that this "special working relationship" is a big part of the current problem at DOE nuclear facilities.

We now know that some contractors believed that this "special working relationship" permitted them to ignore DOE safety recommendations, release radioactivity into the environment, and to withhold crucial information from DOE.

In the June 3, 1987, letter Mr. Herrington also wrote, "... DOE's relationships with these contractors are founded on an understanding that the interests of the Department and its contractors in running these facilities are largely inseparable." This is a disturbing statement. The safety and environmental abuses committed by DOE contractors over the years certainly have not been in the interest of DOE and the Nation.

Under this legislation, if the Attorney General determines that a contractor has been grossly negligent or has engaged in willful misconduct, he is permitted to sue the con-

tractor for an amount equal to the annual price of their contract. This method of determining liability would shield small contractors from large liabilities. Currently, DOE nuclear contracts range in size from about \$1 billion a year to less than \$50 million per year.

Because the bill would change the business conditions under which DOE contractors operate by exposing them to potential liability, it permits renegotiation of contracts with DOE. However, it does not permit the contractors to abandon their current contractual obligations.

Finally, this legislation would bar any contractor guilty of gross negligence or willful misconduct from receiving any Federal contract for a 5-year period. A contractor could be exempted from this provision only if the President determined that the contractor's services were absolutely necessary for national security purposes.

It must be noted that this legislation does not in any way affect the Price-Anderson liability law as it applies to commercial nuclear powerplant operators. I support the compromises that were made on the commercial side of Price-Anderson in Public Law 100-408 and do not intend to change that portion of the law.

Unfortunately, the parties concerned with DOE contractor liability during the 100th Congress were not able to reach an acceptable compromise on the liability issue. In light of this fact, and the recent revelations about safety and environmental abuses by DOE contractors, I believe we must take another look at the contractor liability issue.

Mr. Speaker, the Price-Anderson Financial Accountability Amendments of 1989 will significantly improve the safety of DOE nuclear facilities by giving DOE contractors a financial incentive to operate these facilities safely. I strongly urge my colleagues to support this legislation.

#### **BLACK HISTORY MONTH: RECALLING THE BLACK CONTRIBUTION AND RECOMMITTING OURSELVES TO EQUALITY**

**HON. TOM LANTOS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 23, 1989*

Mr. LANTOS. Mr. Speaker, on the occasion of Black History Month I rise to pay tribute to the members of the black community for the many important contributions they have made to our Nation. Black History Month is also an appropriate time for all of us to take stock of the progress we as Americans have made in achieving our Nation's promise of equal civil and political rights for all Americans. But it is also a time for us to reflect on the continuing struggle to overcome longstanding barriers to economic and social equality.

Mr. Speaker, we have indeed made real progress toward assuring that black Americans are included in our political, economic, and social institutions. Our Nation has greatly benefited from important contributions and significant advances that are the result of the work of black Americans in science, the law, religion, academia and the military.

The Democratic Party stands proudly behind its new national chairman, Ron Brown, the first black American to lead a major political party. Here in the House of Representatives, Congressman WILLIAM H. GRAY III, proved to be an outstanding chairman of the critical House Budget Committee during very difficult times. Lt. Gen. Colin L. Powell restored integrity to our foreign policymaking process as National Security Advisor to the President. Black Americans are now so commonplace within the hierarchy of our religious institutions that the recent ordination of the Reverend Barbara Harris as Bishop of the Episcopal Church proved to be a landmark event because of Reverend Harris' gender, not her race. Black astronauts have ridden into space as mission specialists and flight officers on the space shuttle, and growing numbers of blacks are rising to positions of prominence and prestige throughout our economy and society.

While we can be justly proud of the important accomplishments of black Americans and while we welcome the progress that has been made in bringing black Americans into the mainstream of our Nation's economic and social progress, there is much that remains to be done. Despite the successes, we must not settle for the state of current affairs.

Recent Supreme Court decisions and the actions of the Justice Department in the past few years raise doubts about the willingness of our Government to confront the tough issues of discrimination in employment, Government contracts, education, and housing. These issues continue to be a serious problem for an important segment of our population.

We must continue to press forward to overcome the historical vestiges of racism and inequality which still haunt our country. During the 100th Congress, we passed, over the threat of a Presidential veto, the Civil Rights Restoration Act. As we debated the issue, those of us here in the Congress heard loud and clear from the people back home that civil rights must not be rolled back.

During this historic 101st Congress, we will continue to deal with issues of racial equality and affirmative action. We must remember that equal access to education, housing, and employment are among the basic principles from which we draw our national strength. Ours is a nation that holds the promise of great rewards for an individual's best efforts, regardless of his or her family background, social status, party affiliation, or especially race.

Mr. Speaker, Black History Month is an opportunity for us here in the Congress to refocus on the fundamental values set forth in our Constitution over 200 years ago, and to assess the extent that our practice, in fact, measures up to those beliefs. Black history is the recounting of the ongoing struggle of one group of Americans to attain what is rightfully theirs. This month, as we remember the trials and triumphs of black Americans, let us also recommit ourselves to continuing the struggle to see that all Americans—regardless of race, color, or religion—fully enjoy the rights and advantages of this great Nation.

#### **"NATIONAL TRIO DAY," RECOGNIZING A PROGRAM THAT OPENS THE EDUCATIONAL DOOR FOR THOUSANDS OF STUDENTS.**

**HON. JOSEPH E. BRENNAN**

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 23, 1989*

Mr. BRENNAN. Mr. Speaker, I rise today to bring attention to a nationwide program that has had a tremendous effect on disadvantaged youths across the country as well as in my own State of Maine.

February 26, is "National Trio Day." The trio programs, which include Talent Search, Upward Bound, and Student Support Services, have helped over 450,000 students in this country reach their intellectual potentials by assuring equal opportunity to postsecondary education.

I offer my sincere congratulations to the students who have participated in the trio programs, and I would like to commend the colleges, universities, and other institutions that have made such a success of the programs in 1988, and will continue to do so in 1989.

In Maine, Husson College, the University of Maine System, Unity College and Bowdoin College collectively assisted over 3,300 bright young students in their educational endeavors this past year alone.

I would also like to mention one student in particular, Mark Crosby, who received the 1988 trio achiever award in Maine. Academic experience, career success, and civil commitment were all considerations in his being chosen trio achiever for 1988, but other issues also played a part. Mark Crosby is a hard-working, committed individual. He is an inspiring role model for other students in Maine who may have doubts about their potential as students and achievers.

I remind my colleagues that our young people can and do make a difference in today's society. All students who possess the academic necessities should have the available opportunities to attend college, and to pursue their goals and aspirations. We in Congress must do our part to support successful educational initiatives such as the trio programs.

I request my colleagues to recognize "National Trio Day," and to actively support the trio programs in their respective districts. Thank you.

#### **THE TRANSPORTATION OF HAZARDOUS MATERIALS, H.R. 53 AND 136**

**HON. CARDISS COLLINS**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 23, 1989*

Mrs. COLLINS. Mr. Speaker, with increasing frequency, the transportation of hazardous materials on our Nation's highways, roads, streets and railways has led to calamity. Liquids have exploded, posing serious conse-



quences for—and threatening the lives of—millions of Americans. Often, the public exposure to hazardous materials has occurred in densely populated areas such as Los Angeles and downtown Denver. During 1988 in Chicago alone there were numerous spills of substances including highly flammable morpholine, caustic potash, and toxic xylene. In one instance at a factory, a propane truck exploded, causing the evacuation of hundreds. And, who among us that work here in Washington does not remember the inferno of fuel which shut down the beltway earlier this year while contaminating our air and environs?

The time to act is now. We must not wait for further catastrophes to occur to justify our taking action. We have seen enough of the damage which can result and we have enough evidence of the capacity for future disaster. With the ever increasing volume of hazardous materials—including highly flammable rocket fuel and other propellants and fuels, explosives, and radioactive and toxic materials—being transported through urban centers, the risks are increasingly steep. All it takes is for one drunken driver to broadside one large transport vehicle at high speed for a death toll in the hundreds and a price tag in the millions to result.

At the onset of the 101st Congress, I reintroduced two bills—H.R. 53 and H.R. 136—which address these concerns. The Hazardous Materials Transportation Safety Amendments of 1989, H.R. 53, adopts a wide variety of measures toward avoiding future problems, such as designating safe parking sites and requiring that transporters conform to certain safety standards. Additionally, emergency response efforts are promoted in the bill by facilitating emergency training and equipment and the creation of an emergency response trust fund. Railroad safety is also addressed and Federal Government technical assistance to the States is made available. H.R. 3677 exclusively deals with the designation of safe routes for the transportation of hazardous materials by directing the Secretary of Transportation to issue regulations giving guidance on this matter.

Mr. Speaker, these two bills take a sizable step in the right direction toward insulating our citizens from the consequences of hazardous materials. It is our responsibility to protect Americans from the needless suffering that exposure to these materials can cause.

#### INTRODUCTION OF LEGISLATION TO PROVIDE COVERAGE OF SOCIAL WORKER SERVICES IN RURAL HEALTH CLINICS UNDER MEDICARE

**HON. RON WYDEN**

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. WYDEN. Mr. Speaker, today I am pleased to introduce, along with my colleagues, Mr. LEVIN, Mr. TAUKE, and Mr. SYNAR, legislation to amend the Rural Health Clinic provision of the Medicare Act in order to provide citizens of rural America with access to qualified social worker services.

People living in rural areas are often unable to obtain needed health and mental health care services because of a paucity of providers and Federal policies that exclude qualified providers even when they are available.

My bill would help correct this problem by allowing rural health clinics under Medicare and Medicaid to use the expertise of clinical social workers where appropriate. Under this legislation, the poor and the elderly will be able to obtain direct access to social work services with periodic supervision of the treatment plan by a physician.

I have been particularly concerned about reports that mental health services are difficult to obtain in rural areas. This concern grew when I learned of a recent 1988 six State survey of mental health providers, conducted by the National Center for Social Policy and Practice. In about 25 percent of the counties in the States surveyed, the only mental health providers available were clinical social workers. Most of those counties were rural.

I hope that my colleagues will join me in supporting this effort to make quality health care services available to our Nation's rural citizens.

H.R. —

A bill to amend title XVIII of the Social Security Act to provide for coverage of social worker services in rural health clinics under the medicare program.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. COVERAGE OF SOCIAL WORKERS SERVICES IN RURAL HEALTH CLINICS.

(a) IN GENERAL.—Section 1861(aa)(1)(B) of the Social Security Act (42 U.S.C. 1395x(aa)(1)(B)) is amended—

(1) by striking "or" before "by", and

(2) by inserting "or by a clinical social worker (as defined in subsection (hh))" after "Secretary",

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to services furnished on or after the first day of the first month that begins 60 days after the date of the enactment of this Act.

#### SAVINGS AND LOAN—FRAUD AND INTERVENTION

**HON. PHILIP M. CRANE**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. CRANE. Mr. Speaker, in our effort to address the savings and loan [S&L] crisis, we need to thoroughly examine all the contributing factors to the present thrift difficulties in order that we craft an effective solution. It is with these thoughts in mind that I submit the following article from the February 15, 1989, Wall Street Journal. The article discusses some of the fraudulent practices and political intervention that contributed to the current S&L crisis.

[From the Wall Street Journal, Feb. 15, 1989]

#### THE BANK DICKS' DIRTY LINEN

(By James Ring Adams)

The thrift crisis will get worse before it gets better. It may even spread from the

savings and loan ghetto to the banking system. The Bush administration's \$100 billion "rescue," although worthy of praise for its comprehensive approach, still fails to confront the real cause of the disaster, the political corruption of bank and thrift supervision.

In every agency confronted with a major failure, whether state or federal, the front-line supervisors have been frustrated and demoralized by an "Iron Triangle" of political fund-raisers, corrupt bank and thrift owners and compliant senior regulators. The triangle rests on a constant flow of campaign contributions, sometimes looted directly from institutions whose collapse cost the deposit-insurance funds billions of dollars.

The problem goes well beyond the Reagan administration's confused attempt at financial deregulation. It can't simply be blamed on the weak training, low pay and inadequate staffing of the bank and thrift examiners. Supervisors had the information and, in most cases, the power to restrain the frauds and incompetents. What was lacking was the will to act, will that had been sapped by decades of political interference.

#### EPIDEMIC OF FRAUD

This failure of will has opened the banking system to an "epidemic" of fraud, to quote staff of the House Government Operations Committee. Robert Clarke, the controller of the currency, last year issued a survey of recent bank failures under his jurisdiction and found that less than 10% came solely from economic pressures.

That jibes with his experience, says William Black, former general counsel of the Federal Home Loan Bank Board, which supervises the thrift industry and its Federal Savings and Loan Insurance Corp. FSLIC has been issuing "profiles" of failed thrifts as it tries to dispose of them, and these case studies almost uniformly recite a tale of looting and insider abuse by owners who took over in the early 1980s. Says Raymond Vickers, formerly the chief appointed bank and thrift supervisor for the state of Florida, "I haven't found a single bank failure that didn't involve a conscious conspiracy to defraud."

The only regulator that plays down fraud is, ominously, the Federal Deposit Insurance Corp., which is supposed to be the white knight of the thrift rescue. In the jumble of federal financial regulation, the FDIC insures and supervises 13,000 commercial banks, but it is stepping in to close more than 200 busted but still open thrifts. The FDIC is supposed to toughen and gradually absorb FSLIC's supervision of the remaining 2,900 thrifts. This de facto merger is the most important administrative shuffle for the two agencies since their founding in the Great Depression. But it has only a slim chance of facing up to the source of the debacle.

Both agencies have been victims of "regulatory capture," where an industry comes to dominate the government body that's supposed to regulate it. In the case of the financial system, the supervisors have been penetrated by the industry's worst elements.

The FDIC, now the hero of the piece, was raising eyebrows just six years ago by its performance in the 1983 collapse of the Butcher brothers. Jacob and C.H. Butcher Jr. were busily looting 23 banks in Tennessee and Kentucky while state and federal examiners looked on with their hands tied. A coordinated FDIC exam of several of the

Butcher's banks identified their insider dealing as early as 1977. But no more multi-bank exams took place until 1982. In the meantime, the Butchers became confidants of the Carter White House, major contributors to the Democratic National Committee and political powers in Tennessee. In an interview last year at the Federal Prison Camp in Atlanta, where he is now serving a 20-year sentence for bank fraud, Jake Butcher admitted to this writer that he had helped name one member of the FDIC board. The Butcher empire ultimately cost the insurance fund about \$1 billion.

FSLIC is now paying the price of its own capture, which first came to light with the 1984 failure of Empire Savings and Loan Association of Mesquite, Texas. At the time the biggest liquidation in FSLIC's history, the case alerted the Bank Board to the network of insider construction loans and pay-offs by developers that devastated the Texas thrifts. It also exposed the industry's cozy dealings with the Federal Home Loan Bank of Dallas, one of the 12 regional banks in the Bank Board system.

The chairman of Empire, Spencer Blain Jr., had also been president of the Texas Savings and Loan League, the industry lobbying arm, and in that capacity had been appointed director and vice chairman of the Dallas Home Loan Bank. FSLIC examiners, employed by the Bank Board in Washington, legally had to rely on the supervisory staff of the Dallas Home Loan Bank to handle disciplinary actions against Texas thrifts. The examiners, overmatched as they were, did identify many of the problems, but they were ignored. When Bank Board Chairman Edwin Gray began to see the extent of the Empire problem, one of his first measures was to fire the chief supervisor at Dallas. Mr. Blain, once the leading industry representative at the Dallas Home Loan Bank, has been indicted for bank fraud.

The damage in these cases, and many others, was magnified tenfold and 100-fold by political intervention. Losses that easily could have been cut short at \$100 million or less were allowed to climb into the billions. Appropriate notoriety surrounds House Speaker Jim Wright's pressures on FSLIC, including his attempt (with a bipartisan coalition including Texas Sen. Phil Gramm) to deny it the funds to close Texas thrifts. He deserves some gratitude, however, for having so crudely made obvious what many others were doing with more subtlety.

Jim Sasser (D., Tenn.), a ranking member of the Senate Banking Committee, ran interference for C.H. Butcher with the FDIC board. Donald Riegle (D., Mich.), the current Banking Committee chairman, took dozens of contributions from a large out-of-state thrift and then intervened in its federal examination. He denied wrongdoing, but under pressure from the Detroit News returned more than \$76,000 in contributions. In 1986, when FSLIC moved to close the FirstSouth thrift in Pine Bluff (which supplanted Empire as its biggest case), members of the Arkansas congressional delegation wrote letters in protest. After the size of the problem became clear, the congressmen wrote a second set of letters, asking to get the embarrassing first letters back.

Even though President Bush is earmarking \$50 million to chase the perpetrators of S&L frauds, his plan does little to control the political interference that has allowed them to flourish. Even though both FSLIC and FDIC have vastly improved themselves as each struggled with its disasters, they

can't be expected to cope with congressional pressures alone. The only promising solution is to enlist public opinion by throwing open the regulators' attempts at regulation.

#### END TO SECRECY URGED

The FDIC at one time wanted to make public its final disciplinary actions, only to back down under industry protest. But a few voices are calling for a total end to bank secrecy. Mr. Vickers, the former Florida regulator, says that bank examination reports should be released to the public as soon as they're written. (They are now kept highly confidential under criminal penalty.) At the least, the public should know the numerical ratings that the examiners give their banks or thrifts. All interventions by public officials—letters, phone calls, or personal meetings—should be kept in an open file, by law, so that the press and political challengers can track the fix.

These are measures that violate deeply ingrained habits of regulatory secrecy, habits that date to the trauma of Depression-era bank runs. But a depositor's confidence is more likely to fall when he can't tell the good banks from the bad, or the wolves from the watchdogs. The best cure for the current plague of fraud and political influence is public exposure.

#### FREE VACLAV HAVEL

#### HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. KOSTMAYER. Mr. Speaker, last week 30 Members of the House joined in writing to President Gustav Husak of Czechoslovakia urging him and his government to immediately free the imprisoned Czech playwright, Vaclav Havel.

The following editorial from the Philadelphia Inquirer of Wednesday, February 22, 1989, reiterates many of the points made in the letter to President Husak, as well as those I made in addressing my colleagues on this subject the same day, on the floor of the House.

The aging Stalinists who run Czechoslovakia may silence an eloquent and courageous playwright for a few months, but they can never still the rising clamor for freedom which is stirring people throughout Eastern Europe.

Mr. Speaker, I urge my colleagues to join those of us in the United States and around the world who are making life a little more difficult for the Czechoslovakian Government.

We must continue to press this case until Vaclav Havel is free.

[From the Philadelphia Inquirer, Feb. 22, 1989]

#### STUCK IN TIME: IN CZECHOSLOVAKIA, REPRESSION LIVES ON

In Czechoslovakia, where writers have a special moral standing, the playwright Vaclav Havel has long been the conscience of his nation. His ideas of how ordinary people can retrieve their dignity from communist control have inspired opposition groups from Poland's Solidarity trade union to proponents of multiparty elections in Hungary. His personal decision to resist the communist authorities in his country—to "live in truth"—has caused him to spend a quarter of the last two decades in prison.

Now, at a time when Eastern Europe is reverberating from the stunning turnaround in Moscow, when freedom is again in the air, Mr. Havel is back in jail. He was sentenced yesterday to nine months in prison for allegedly encouraging a demonstration in memory of a youth who burned himself to death to protest the 1968 Soviet invasion.

The irony here is that no Soviet dissident would be jailed today for a comparable act of defiance. But the Czech leaders, a bunch of aging men who have been in power since the demise of the 1968 "Prague spring," are terrified of being ousted. And no one symbolizes their fears better than Mr. Havel, whose plays have been banned at home, even as they've been hailed abroad. (In Philadelphia, the Wilma Theater is scheduled to stage a Havel play in May.)

So the government jailed Mr. Havel, refusing to acknowledge that the time for brute repression has passed. One thousand establishment intellectuals—who have been holding their tongues for years—signed a petition before the sentencing asking for the playwright's release. The government responded by firing the editor of a cultural journal. But that approach is sure to rouse only more dissent—and, irony of ironies, might inspire the Kremlin to support the cause of Czech intellectual freedom.

More than that, the European community—whose economic assistance the Czech government badly needs—is likely to register its displeasure. After all, the Czech regime just signed a new East-West accord that is supposed to guarantee personal and political freedoms.

Jailing Vaclav Havel is a desperate act by a regime that won't recognize that both superpowers want a new, freer status for Eastern Europe. Prague's leaders may be able to stay that change for a while. But history's dustbin is waiting.

#### RUSHDIE'S BOOK—A SYMBOL OF FREEDOM OF EXPRESSION

#### HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. WEISS. Mr. Speaker, I join today with the international chorus of writers, artists, and government leaders in condemning the actions of the Ayatollah Khomeini of Iran regarding the book "The Satanic Verses" written by Salman Rushdie.

It is imperative that, as a free society, we speak out when one of our important values, in this case freedom of expression, is threatened. Yesterday, in New York and other cities around the Nation, writers gathered to protest the death threats against Mr. Rushdie, his publisher, and the booksellers that display "The Satanic Verses." From these meetings came the important message that the battle for free expression is everybody's battle, and if one author is threatened, all people are threatened.

The columnist Christopher Hitchens reminded all of us yesterday of the prophetic words of the German author Heinrich Heine. Heine wrote, commenting on book burning in Germany in the 1800's, that "where books are



burned, men will be burned." We are all familiar with the history that followed Heine's chillingly accurate statement, and which must never be allowed to repeat.

The United States must stand in solidarity with Mr. Rushdie and the international writing community against this immoral and lawless attack on freedom of expression. I invite my colleagues to join in sending a letter to President Bush expressing our concerns on this matter, the text of which I would like to include in the RECORD.

Mr. Speaker, the safety of Mr. Rushdie and of the principle of freedom of expression is clearly an American interest, and indeed a world interest. Let us join the many members of the international community to protect these interests and preserve artistic freedom.

FEBRUARY 1989.

HON. GEORGE BUSH,  
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to express our dismay over the Ayatollah Khomeini's soliciting the murder of author Salman Rushdie. We also deplore the threats against booksellers and publishers who trade in the book.

While the government of Iran has been engaged in various acts of extreme behavior for many years, until now it has not attempted to patrol the expression of the international artistic community through death threats and intimidation. All cultures and freedom-loving people have an interest in stopping this most recent example of Iran's disrespect for the norms of international behavior.

We must stand together with the international writing community in condemning this incident. On February 22nd, in public meetings in New York and other cities around the United States, American writers expressed their solidarity with Mr. Rushdie. It is crucial that we join them in this important message. With them, we urge you to recall the prophetic words of the German author Heinrich Heine, "where books are burned, men will be burned."

In recent weeks, many members of the international community have expressed their disapproval of the Ayatollah's actions in various ways. We believe it is important to work closely with all nations who have publicly declared their outrage and to assure, in every way possible, the safety of Mr. Rushdie. Clearly, his safety is an interest shared by the United States along with everyone who seeks to preserve artistic freedom.

Therefore, we respectfully request that the government of Iran be put on public notice that it is the United States' intention to postpone indefinitely any possibility of normalized trade or diplomatic relations until the threats have been rescinded and the safety of the author, publishers, and sellers of "The Satanic Verses" has been assured.

Thank you for your attention to this important matter.

Sincerely,

# H.R. 141, TO AMEND TITLE XVIII OF THE SOCIAL SECURITY ACT TO PROVIDE FOR COVERAGE UNDER PART B OF THE MEDICARE PROGRAM FOR ROUTINE PAPANICOLAOU TESTS

## HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mrs. COLLINS. Mr. Speaker, I rise today to speak on behalf of H.R. 141, a bill I introduced on the first day of the 101st Congress which would provide or coverage of routine papanicolaou tests under part B of the Medicare Program. A papanicolaou or pap smear tests cells to provide for early detection of cervical and endometrial—together known as uterine—cancer. The bill would extend Medicare coverage to routine pap exams performed not more frequently than once every 6 months.

The proposed law is part of a continuing movement of change from covering a Medicare patient who is seriously ill to paying for tests for the early detection of diseases. Last year, the Senate version of the Medicare Catastrophic Coverage Act counted a wide range of preventive services toward the catastrophic cap. These services included: glaucoma screening by tonometry, cholesterol screening, a pap test, mammography screening, an immunization or booster for tetanus, influenza, or bacterial pneumonia, an occult blood stool test, and tuberculosis sensitivity testing. The final version of the Catastrophic Coverage Act included coverage for mammography or breast cancer screenings for women over age 65. I am pleased with this partial success and urge Congress to consider covering other cancer detection tests such as the one in H.R. 141.

Statistics show that early detection and treatment prevents the spread of cancer and dramatically improves the survival rate of the patient. The death rate for women diagnosed with cancer of the uterus has dropped 70 percent during the last 40 years due to the general use of pap tests and regular check-ups to discover the cancer or precancer conditions in their early stages.

Women whose cancer is detected at the earliest stages are likely to live longer. The 5-year survival rate among women who are diagnosed with cervical cancer at any stage is 66 percent. The survival rate jumps to 80 to 90 percent if the cancer is detected at stage 1, which is when the carcinoma has not spread past the cervix. Most significantly, virtually 100 percent of women whose cervical cancer is discovered in its earliest stage will live 5 years or longer. And by common definition, a uterine cancer patient who survives 5 years without a recurrence is cured of that cancer.

The lab fees for pap tests are relatively inexpensive compared to other cancer screening tests. The Medicare Program could save money by covering pap tests, instead of allowing gynecological cancers to go undetected and paying for treatment that demands much higher fees at a later date. This approach also

would save medical resources, which are at a premium in our society.

Mr. Speaker, pap tests do matter for women across this country. We can save Medicare money and women's lives by enacting my bill, H.R. 141.

## THE MEDICAL CARE CRISIS IN SOUTHERN ILLINOIS

### HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. POSHARD. Mr. Speaker, across the Nation and in my southern Illinois district, hospitals are in trouble. They are suffering from rising medical equipment costs, soaring insurance rates, and increasing patient loads.

I am very concerned that many of my constituents are not receiving the medical care they need and others have to drive for miles to receive treatment. During the February district work period, I held a series of 20 town meetings throughout my area and I had a chance to talk with many southern Illinoisans. In every one of those meetings, health care was the No. 1 concern.

From Vandalia in the north to Cairo in the south, veterans, the elderly, and families are all concerned about the quality and availability of medical care. I certainly share their concern, as do the men and women who operate hospitals in Illinois' 22d District. We are all worried that unless Medicare and Medicaid reimbursements to hospitals are increased, more hospitals will close and medical services will further deteriorate.

Recently, one of the major daily newspapers in my district, the Southern Illinoisan, ran a story on Medicaid and area hospitals and I am including the article in the RECORD to demonstrate the seriousness of the health care crisis in southern Illinois:

#### MEDICAID TURNS HOSPITALS, CLINICS INTO VICTIMS, TOO

(By Beth Haller)

As influenza swept the Carbondale area recently, 31-year-old Loretta Mathis of Carbondale developed a pretty serious cough. So two weeks ago she went to the Carbondale Clinic to see a doctor.

Mathis, however, could not receive care. She is on Medicaid and had just been introduced to the new clinic policy on public aid patients.

In the spring of 1988, the clinic stopped accepting new Department of Public Aid patients for regular office visits. A new Medicaid patient is defined as someone who has not been to the clinic for six months.

For Mathis, this meant a trip to Memorial Hospital of Carbondale's emergency room for treatment of her cough.

Kay Sherman of Carbondale ran up against the same policy when she tried to see the new clinic allergist for a skin rash. She couldn't book a routine appointment with the gynecologist there, either.

"Now, I don't know what's going to happen to me," she said. "It was quite a shock when I found out I couldn't get in there. That's the one place we were all able to go."

It meant leaving physicians we trusted, too.

"I had several doctors at the clinic, none of whom I can go back to," Sherman said.

The clinic's policy still allows for new public aid patients to be seen at the clinic, but they must be routed there as emergency cases or have been referred by another physician or Memorial Hospital. The clinic houses 36 physicians and 15 specialists.

The decision by the Carbondale Clinic's board of directors to control the flow of Medicaid patients there came after losses of millions of dollars.

"The reimbursement rates are lower than half the normal fee," explained William Harris, administrator of the clinic.

And sometimes the clinic receives no reimbursement at all from the state. When the Department of Public Aid hits the middle of its fiscal year, it sometimes runs out of funds and no longer reimburses until the General Assembly appropriates new funds.

The Illinois Hospital Association has called this practice "borrowing illegally from the hospitals of Illinois." The hospital association joined a federal suit against the state over the reimbursement issue last spring. At that time, an average payment cycle of 80 days was anticipated.

Harris said sometimes the clinic must wait four to six months for reimbursement.

Because of the late and low reimbursements, the clinic wrote off \$1.5 million in care for Medicaid patients in 1988. In 1987, that figure was \$1.25 million.

The clinic traditionally has carried a heavy load of public aid patients, between 10 and 12 percent. The clinic averages 8,000 Medicaid visits per year.

"We felt it was inching up too high, and we have to control that," Harris said.

The clinic still sees about 80 new Medicaid patients per month. The goal is to get the number of public aid patients seen at the clinic down to 9 percent of its total patient load, he said.

Harris does not see the percentage dropping any lower than that.

"We can't ethically and morally close the doors to people," he said.

But the clinic's new policy has had a ripple effect throughout the health care community because it compounds an existing problem.

Some physicians in Southern Illinois will not take any public aid patients, and this puts a burden on those who do.

Shawnee Health Service and Development Corp. operates four health centers in Southern Illinois—in Carterville, Grand Tower, Murphysboro and the Adolescent Health Center in Carbondale.

George O'Neill, executive director of Shawnee Health, reports a 22 percent increase in Medicaid recipients at the clinics during 1988.

The clinics are seeing a number of patients who previously had health insurance, but now have nothing.

"This is a byproduct of the turndown in the economy," O'Neill said.

Obstetrical statistics aptly illustrate the rise in public aid recipients. As the total number of births remains steady, many counties are showing marked increases in public aid births. In Franklin County, for example, 40 percent of all the births are to women on public aid.

"The situation is coming to a crisis point," O'Neill said.

Clara McClure, community support program coordinator for Jackson County Community Mental Health Center, fears that if

her clients cannot go to the clinic or find another physician that will take them, they must go to Memorial Hospital's emergency room, causing an overload there.

"I think it's going to get worse before it gets better," she said.

The community support program serves primarily people with major mental illnesses, many of whom are on public aid. Most of the program's clients had gone to the Carbondale Clinic, McClure said.

Mathis, who had to take her cough to the emergency room, said that in the future she probably will try to get medical care for herself and her two teen-agers at the Murphysboro Health Center. But transportation can be a problem.

"I have some transportation, but it's not dependable," she said.

George Maroney, administrator of Memorial Hospital, can attest to the strain the torrent of public aid patients to its emergency room can have on a hospital.

It is the reason the hospital is bordering on operating in the red, he said. In the past 10 years, the hospital has gone from 9 percent public aid patients to 20 percent public aid patients.

The hospital will write off \$3.9 million in Medicaid when the 1988-89 fiscal year ends March 31.

"If everyone did their fair share, it wouldn't be so catastrophic," Maroney said, citing those physicians who will not care for Medicaid patients.

And better reimbursement from the state will help, too.

"It is unfortunate that the state is the principle problem, but the hospital and doctors must handle the problem," he said.

Harris of the Carbondale Clinic believes the Medicaid problem keeps physicians from Southern Illinois.

"The net effect is not only to provide limited care but to drive doctors out of the state of Illinois," he said.

Illinois' neighbors, Kentucky, Indiana and Missouri, all have higher reimbursement rates for Medicaid patients, Harris said.

But no matter what the problems, Maroney assures the region that Memorial Hospital will always treat Medicaid patients.

"We will treat all patients."

## A TRIBUTE TO MRS. SHIRLEY M. FIGENSHU

### HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. FAZIO. Mr. Speaker, I rise today to pay tribute to Mrs. Shirley M. Figenhu, who retires today after more than 37 years in the Federal service. Mrs. Figenhu has been serving for the past year as executive assistant to the commander of the Sacramento Air Logistics Center, McClellan Air Force Base, in Sacramento, CA. McClellan AFB is the largest Federal sector employer in northern California.

Originally from Ohio, Mrs. Figenhu joined the Federal service at McClellan AFB as a clerk-typist in August 1951. In July 1955, she was promoted to duties as an accountant in the accounting and finance division, beginning a 36-year period of outstanding service in what would later become the comptroller directorate.

In 1978, she received a bachelor of science degree in business administration from the California State University at Sacramento. In 1982, she was awarded a masters degree in management from Golden Gate University. Following graduation from the Professional Military Comptroller School in 1976, she was selected as chief, systems and procedures office, in the accounting and finance branch. In 1981, she assumed duties as the chief of the operations and maintenance section, and 1 year later she was named budget officer for McClellan Air Force Base. In January 1985, Mrs. Figenhu was selected to be the deputy comptroller, Sacramento Air Logistics Center, a position she held for 3 years until she became the executive assistant to the commander.

As deputy comptroller for one of the largest organizations in the U.S. Air Force, Mrs. Figenhu was responsible for over a \$3 billion budget, a payroll of over 17,000 civilian and military personnel, and provided senior financial expertise to all budgeting, accounting and finance, and cost analysis functions at McClellan AFB.

As the executive assistant to the commander, Mrs. Figenhu was responsible for prioritizing all issues brought to the commander and vice commander for their action—a particularly difficult undertaking in 1988, with the budget reductions and threat of civilian work force furloughs that McClellan experienced. She coordinated all important interfunctional programs to ensure that the policies of the center commander were implemented. Mrs. Figenhu was the first woman to serve as executive assistant at McClellan and the first to serve in that position on a permanent basis at any Air Force Logistics Command Base.

Mrs. Figenhu's achievements go beyond her work at the base, and into the Sacramento community. She served as chairman of the Combined Federal Campaign Federal Sector Coordinating Committee and the Sacramento Symphony Fund Raising Committee. She was a key member of the Officers' Club and Civilian Nonappropriated Fund Advisory Committees, and she led the 1987 McClellan Aviation Museum membership drive. Mrs. Figenhu is a member of the American Society of Military Comptrollers, Association of Government Accountants, Institute of Cost Analysts, Air Force Association, Federal Managers Association, McClellan Management Society, and the International Training in Communications organization.

During her public service career, Mrs. Figenhu was named McClellan's Civilian of the Year in 1965; Air Force Association Outstanding Civilian of 1977; Sacramento Federal Women's Council Supervisor of the Year 1980; McClellan's Outstanding Business Woman of the Year in 1984; the American Society of Military Comptrollers' Outstanding Budget Officer for 1985; and the Sacramento Federal Women's Council Manager of the Year in 1988. In 1987, her ability to develop and implement management initiatives earned her the Air Force Logistics Command Distinguished and Honorary Equal Employment Opportunity/Affirmative Action Award. Over the years, she has also received numerous sustained superior performance awards.



I know my colleagues join me today in sincere congratulations and appreciation to Mrs. Shirley Figenshu on the occasion of her well-earned retirement from Federal service. Her devotion, skills, and extraordinary contributions to the public sector are a shining example to all in our country's service. I would like to extend my best wishes for the future to Mrs. Figenshu and her husband, Jack.

H.R. 867

**HON. ROBERT T. MATSUI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. MATSUI. Mr. Speaker, on February 6, 1989, Congressman DOWNEY, Congressman MILLER, and Congressman ROYBAL joined with me to introduce three bills, which, taken together, would make the Supplemental Security Income [SSI] Program fairer and more responsive to the truly needy it is intended to serve. The following is a section-by-section summary of the provisions of the second bill in this SSI reform package, H.R. 867.

SUMMARY OF "SSI TECHNICAL AMENDMENTS OF 1989"—H.R. 867

TITLE I. CHANGES IN THE TREATMENT OF INCOME AND RESOURCES

*Section 101. Treatment of workers' compensation and unemployment compensation as earned income for SSI purposes*

This provision changes the way in which workers' compensation and unemployment compensation benefits are treated. Instead of treating these benefits as unearned income, the benefits will be treated as earned income. The result of this change is a more helpful treatment of the benefits because earned income is subject to more substantial disregards than unearned income. There is a \$20 income disregard for unearned income, while with earned income, the statute provides that the first \$65 plus ½ of the remainder is deducted.

*Section 102. Eligibility determinations for certain months in the cases of individuals with weekly or biweekly income*

In cases where a person has earned income and he or she is paid on a weekly or biweekly basis, problems currently arise when there is a fifth weekly payment or a third biweekly payment in the month. Currently, the SSI benefit of the person (or the child or spouse who is receiving SSI and who has income deemed from other family members) will be reduced or terminated as a result of the extra payment. This provision will require the Secretary to avoid this problem by considering the annual income of the person and using the average monthly amount in calculating the amount of the SSI benefit.

*Section 103. Disregard of certain in-kind gifts*

This provision will permit an SSI recipient to receive a domestic air, bus or train ticket without having it counted as income and resulting in a reduction in the person's SSI benefit. The Secretary currently counts the value of the ticket as income unless it was paid for on the credit card of another person.

*Section 104. Reduction in time during which the income and resources of separated couples must be treated as jointly available*

Currently, if a husband and wife who are an eligible couple separate, the statute requires the Secretary to treat them as if they are still together and sharing their income for six months after the separation. This works a hardship on the spouse who has little or no other income in her name. This section provides that an individual and a spouse will be treated as individuals for SSI purposes after they have been separated for one month. In addition, if the Secretary determines that the person is faced with a financial emergency, the Secretary is required to waive the one month rule and pay benefits immediately.

*Section 105. Disregard of certain interest and dividend income*

Effective January 1, 1990, the Secretary would disregard \$120 per year of interest and dividend income in determining eligibility for SSI. This disregard would increase by \$12 each year after that until it reached \$180 in 1995.

*Section 106. Increase in face value of life insurance policies whose cash value is disregarded and increase in allowable burial fund*

This provision increases the amount of the face value of a life insurance policy which a person can have and not have the cash value of the policy counted for SSI purposes. The face value is increased from \$1500 to \$2500.

In addition, the law currently provides an alternative to the life insurance rule which permits a person to have a burial fund which does not exceed \$1500. This figure would also be increased to \$2500. The amendment would also provide that the rules which apply to recovery or waiver of overpayments generally in the SSI program will apply in cases where the person mistakenly uses a portion of the burial account.

TITLE II. SPECIAL PROVISION RELATED TO SSI FOR THE MENTALLY ILL

*Section 201. Continued SSI suspension status for certain residents of public mental institutions*

Under present law, beginning with the first full month that an individual is a resident of a public mental institution, an SSI recipient is no longer eligible for benefits. [There is an exception for certain cases where the individual is expected to stay for no more than three months and needs to maintain a residence.] An individual who loses eligibility for this or other reasons is placed in a suspension status for up to twelve months and is not required to file a new application for SSI benefits if he or she is once again eligible for benefits within the twelve month period. This provision changes the rule to provide that the time during which a person is in a public mental hospital will not count toward the twelve month suspension status limit.

TITLE III. CERTAIN INDIVIDUALS CONSIDERED TO BE RECEIVING SSI BENEFITS FOR PURPOSES OF MEDICAID ELIGIBILITY

*Section 301. Retention of Medicaid when SSI benefits are lost upon entitlement to Social Security spouse benefits or retired workers benefits prior to age 65*

Currently, when a person is receiving SSI disability benefits, the Secretary requires the person to apply for all other benefits—

including Social Security—for which the person may be eligible. Certain individuals may not be eligible for Social Security disability benefits because of the stricter definition of disability or "recency of work" requirements. However, they may be eligible for SSI disability benefits and thus Medicaid. Two groups of disabled SSI recipients lose their SSI and Medicaid at age 62: Individuals who become eligible for early retirement benefits at age 62; and individuals who become eligible for a spouse's benefit at age 62 on the Social Security record of an insured worker who is eligible for disability or retirement insurance benefits.

Despite the fact that such individuals are disabled, they have no health care coverage under Medicare until they become age 65. This provision will permit these individuals to be considered to be receiving SSI benefits so that their Medicaid eligibility can continue until they turn 65 and become eligible for Medicare. Such individuals will continue on the SSI rolls in a non-cash payment status and SSA will be responsible for determining ongoing eligibility.

*Section 302. Retention of Medicaid for certain additional disabled adult children*

Under current law, any SSI recipient who first becomes entitled to Social Security disabled adult child's benefits on or after July 1, 1987, and as a result is no longer eligible for SSI, is deemed to be eligible for SSI so that he or she can continue to receive Medicaid. This provision will extend this same benefit to former SSI recipients who lost their SSI eligibility when they began to receive disabled adult child's benefits, if they first became entitled to the disabled adult child's benefits on or after January 1, 1981 (and before the current provision's starting date, July 1, 1987.) However, they will not be eligible for Medicaid benefits under this provision until July 1, 1989.

*Section 303. Amendments affecting individuals considered to be receiving SSI for purposes of the Medicaid program*

This section addresses the problem which currently exists when a person loses SSI cash benefits but is in one of the categories of people who are deemed to be still receiving SSI so that they remain eligible for Medicaid. There may be a gap in their coverage until they actually go to the state Medicaid office and apply for benefits or their benefits may end if, for whatever reason, they fail to file that application.

This section provides that these individuals will be presumed to have filed a Medicaid application and that their eligibility for Medicaid will continue unless a determination is made that they are not eligible for Medicaid. For a determination of ineligibility to apply back to the date of the change in status, the determination must be made within 45 days of the change. If it is made after that date, the decision will be effective prospectively only.

This section also clarifies that the provisions in current law which protect categories of disabled individuals from loss of Medicaid when they begin to receive Social Security benefits apply in all states, including those states which have chosen the "section 209(b)" option under Medicaid.

# **SLUTE TO DONALDSONVILLE, LOUISIANA'S, 'PARENTS AS PARTNERS' PROGRAM**

**HON. CLYDE C. HOLLOWAY**

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. HOLLOWAY. Mr. Speaker, I rise here today to highly commend children, parents, teachers and those committed to working for educational excellence through Donaldsonville, LA's Parents as Partners Program. Yes, the program is about teaching. It is also a program from which communities across our Nation can learn. This highly successful program should serve as an example of the can do attitude and dedication to excellence so important to a good education.

Mr. Speaker, I am proud to report that the success of Parents As Partners, founded by Louisiana State University professor Patricia Edwards, has recently attracted the attention it deserves. The Washington Post, in a front page story published in its Tuesday, February 21, edition, described the program, along with the many contributions made to its success by parents, children, church leaders and civic minded citizens of the Donaldsonville, LA, area.

The program's story is one of love and concern. Parents As Partners teaches parents how to read to their children. Its goal is to improve the literacy rate among poor families. Families attend classes together; the parents read to their children while classmates observe. Then, classmates and teachers commend them on their reading strengths while advising how to improve those skills. Everyone is involved—a proven method of success.

Professor Edwards' efforts to establish the program weren't easy. As The Washington Post described, and I quote:

Her first task was the most difficult: persuading low income parents to participate. Her method was controversial but successful. With help from (Donaldsonville Elementary) School's assistant principal, Marva Matthews, she first persuaded community leaders to take an interest in the project and pressure parents to attend. Matthews and Edwards used a Saturday night and Sunday morning approach. The two most important community leaders they enlisted were Ray Jacobs, owner of a popular Donaldsonville tavern, Jonelle's, and the Rev. William D. Hogan of St. Catherine's, a predominantly black Roman Catholic church. Jacobs, who hosts a popular local talent show in his bar, started telling mothers who patronized the establishment that they no longer would be welcome unless they put as much time into learning how to read to their children as they spent enjoying themselves at the saloon. He took his commitment one step further, driving women to the weekly class and participating himself. He is one of two men who regularly attend, among an average of 30 to 40 women. Father Hogan, a Josephite priest who has served black Catholics during his entire 37-year career, preached about the benefits of the reading program during his Sunday sermon, saying literacy is an important tool of faith."

Mr. Speaker, I am proud to represent Donaldsonville. The emphasis which the people of

Donaldsonville have placed on their children's education, and on their children's future, deserves our admiration. Among other things, the people of Donaldsonville are sending a message to their children. The message is, a good education is not simply a fundamental necessity; a good education is everyone's concern.

Mr. Speaker, I would like to thank the parents, grandparents, teachers and volunteers who have made Parents As Partners such a resounding success.

I reserve special thanks for Professor Patricia Edwards, founder of Parents As Partners and Marva Matthews, assistant principal of Donaldsonville Elementary School. Their concern for the families and children of Donaldsonville should serve as a valuable lesson to us all.

## **PROVIDENT SAVINGS BANK MARKS 150TH ANNIVERSARY**

**HON. FRANK J. GUARINI**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. GUARINI. Mr. Speaker, on February 27, 1989, the Provident Savings Bank, New Jersey's oldest mutual savings bank, will celebrate its 150th anniversary. Gov. Thomas Kean and the New Jersey Legislature, which granted the Provident its original charter in 1839, will cite the bank for its outstanding contributions to the economic growth of New Jersey at a joint session of the legislature to be held in the Senate on Monday, February 27.

The Governor's proclamation will recognize the Provident as the first savings bank in the State, a thrift institution which literally started New Jersey saving and which has, in effect, been imitated ever since. Kenneth F.X. Albers, chairman and chief executive officer, and the bank's board of managers, distinguished members of the State's business community, will be on hand to witness the commemorative ceremonies.

The Provident opened for business in Jersey City in October 1843 with first day's deposits of \$227.00. Ten years later, bank growth warranted the erection of its own building at Plymouth and Washington Streets. On December 31, 1988, the bank listed 34 offices throughout the State with assets of over \$1.4 billion. The bank has just paid its 290th consecutive semiannual dividend and, since 1839, not one depositor has ever lost one penny at "The Old Beehive," the bank symbol of thrift and industry for a century and a half. It is a record few banks in the country can equal.

The Provident makes no foreign loans, but does invest in the State of New Jersey. Today, mortgage, consumer and commercial loans outstanding to New Jersey people and businesses amount to over \$850 million. In the last 10 years alone, Provident depositors were paid over \$714 million in dividends.

The bank's new corporate headquarters, recently completed in Jersey City is an architectural landmark, and a very substantial investment that is representative of the confidence, vitality and economic leadership the bank provides in New Jersey communities.

As a mutual savings bank, the Provident is different from other banks in ways that are important to the public. It pays all earnings to its depositors after meeting obligations for operations, taxes, and protective reserves. By law, those who direct the Provident operations may not profit from the bank or its investments. In effect, it is the bank's depositors and the communities they serve who stand to benefit from the bank's operations.

At a time when many banks in this country are in financial difficulty, the Provident continues to be a financially strong institution, a direct result of the bank's own sound, unique principle "to maintain the highest degree of safety and to pay the highest dividends consistent with that aim."

In today's rapidly changing financial markets, the Provident, as a member of the First Nationwide Network of Independent Financial Institutions, is uniquely set up to provide New Jersey savers with a wealth of opportunities to handle their finances intelligently. In addition to CD's, savings, and checking accounts, Provident customers have access to mutual funds, trust advisory accounts, and other traditional bank services. More than ever, the bank's enviable 150-year-old safety record seems to say, "If you bank in New Jersey, you can bank on The Provident."

The history of the bank is so interesting. The three were born at the same time—the city, the county, and the bank. Jersey City was incorporated in 1838. Two years later, in 1840, Hudson County—until then a part of Bergen—was created as a separate entity by the State legislature. In 1839, the year between these two events, the Provident Institution for Savings was granted its charter.

### **PRESIDENTS OF THE BANK—1839-1975**

John F. Ellis, 1839-1841.  
Dudley S. Gregory, 1841-1874.  
Andrew Clerk, 1874-1886.  
David Smith, 1886-1889.  
Isaac I. Vanderbeek, 1889-1894.  
Freeman A. Smith, 1894-1896.  
Edmund W. Kingsland, 1896-1910.  
George F. Perkins, 1910-1916.  
James B. Throckmorton, 1916-1940.  
George R. Beach, 1941-1956.  
Karl A. Schwotzer, 1957-1958.  
William Neumann, Jr., 1959-1967.  
Kenneth F.X. Albers, 1968-

Provident was the first bank of any kind in Hudson County and the first savings bank in the State of New Jersey. John F. Ellis was the bank's first president, but it was not until the administration of his successor, Dudley S. Gregory, in 1843, that the bank opened for business.

The delay was due in part to the public's distrust of all banks at the time. The panic of 1837, and the widespread distress of the ensuing years in which hundreds of commercial banks collapsed, had caused ruin to thousands of businesses and individuals. The idea of a "mutual savings bank" in which "the income and profit thereof shall be applied and divided among the persons making deposits therein" was a new one.

When Mr. Gregory became president of Provident, John Tyler was President of the United States, and the Nation was fast approaching war with Mexico. During Mr. Gregory's 33-year administration of the bank, Tyler



was succeeded by Presidents Polk, Taylor, Fillmore, Pierce, Buchanan, Lincoln, Johnson, and Grant. The Mexican War came to an end, slavery proved to be an issue that could not be resolved peacefully, and America was plunged into the agony of its great Civil War. Lincoln was assassinated, the Union was saved, and the Nation entered a period of unprecedented growth and change. The railroads forged a connection between the east and west coasts with Jersey City as its eastern terminus—and America became a great industrial Nation.

In Mr. Gregory's final year as president, another major event shook the nation: the panic of 1873. Many fortunes were lost in this disaster, but the Provident survived and prospered.

If any one man may be said to have been the architect of Provident Savings Bank, that man was Dudley S. Gregory. More than anyone else, he built the bank and made it strong and established the precepts from which it has never deviated. Mr. Gregory played an important role in the growth of the community as well, serving for some time as mayor of Jersey City. When he retired, after 33 years, the bank boasted assets of \$3,500,000—no mean sum in the year 1874.

In 1910 the makeup of the population of Jersey City and Hudson County—and the makeup of the bank's depositors—had undergone a profound change. This was the great age of immigration. From Ireland, from Italy and Germany and from the nations of Eastern Europe a great wave of immigrants came to the United States. As they waited at Ellis Island, one of the great sights the newcomers could see most clearly was Hudson County. Many liked what they saw and many stayed.

The corporate headquarters is a historical landmark, nine stories tall, on Bergen Avenue, and has a 30-foot high clock tower which is operational and illuminated from within. The four-sided clock has been a Jersey City landmark for many years, and has been recently restored to its original beauty.

Kenneth F.X. Albers, a career banker since 1948, joined Provident Savings Bank in October 1966 as vice president, assistant to the president. He became president and chief executive officer in January 1968 and chairman of the board and chief executive officer in February 1983. Under his leadership the Provident has continued to grow.

I ask my colleagues here in the House of Representatives to join me in extending congratulations to Kenneth F.X. Albers and all those affiliated with the Provident Savings Bank on its 150th anniversary and best wishes for its continued success and prosperity.

#### ESTONIAN INDEPENDENCE DAY

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. GILMAN. Mr. Speaker, tomorrow, Americans of Estonian descent will note with both joy and sorrow, the 71st anniversary of Estonian Independence Day; joy in remembering that day in 1918 when independence was first

declared, and the years that followed which saw the flourishing of Estonian culture and heritage. The sorrow followed when that independence, was forcibly usurped in 1940, when the tiny nation of Estonia was annexed by the Soviet Union.

This past November, the Estonian Parliament took a bold step by declaring their sovereignty within the framework of the Soviet Union. Although ruled by Soviet leader Mikhail Gorbachev to be invalid and unconstitutional, the declaration is nonetheless clear and convincing evidence that the love of freedom and desire for independence prevails throughout Estonia.

Only a few days ago, it was announced that the politburo has consented to give the Soviet Union's 15 constituent republics more independence in making economic decisions, a compromise that is apparently targeted at republics such as Estonia. This overture, meant to assuage some of the discontent brought about by the earlier condemnation, will perhaps ease some of the frustration and anguish. In Estonia, both party members and independent movements have called for complete economic sovereignty from Moscow. Let us continue to hope that they achieve this, as well as the independence for which they so dearly long.

Estonian Independence Day will most certainly bring out hundreds of thousands of supporters, and with them, our own hopes for their future. Accordingly, Mr. Speaker, we acknowledge this anniversary of Estonian independence, certain that this national feeling cannot be stifled.

#### NATIONAL BOY SCOUTS OF AMERICA WEEK

**HON. WILLIAM H. NATCHER**

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. NATCHER. Mr. Speaker, it is a privilege to again recognize the Boy Scouts of America as they celebrated their 79th anniversary this month.

The year 1988 marked the eighth consecutive year of total growth for the Boy Scouts of America, and the membership at the end of last year totaled 4,233,001 youth.

The Boy Scouts of America has identified five unacceptables in today's society: Functional illiteracy, youth unemployment, youth protection, drug abuse, and hunger. To this end, the Boy Scouts of America is promoting reading through Boys' Life magazine, Scout manuals, and other literature. The public service theme is "In Scouting You Do What You Read." Skill and character development is recognized as necessary in order to produce a more employable youth, and a strategy has been developed to keep undesirables out of the Scouting program through education, leader selection, barriers to abuse, promotion of reporting and swift removal.

"Drugs: A Deadly Game" was launched in 1987 and since that time more than 8 million youth booklets have been distributed to young people in and out of Scouting.

More than 20 million Americans go hungry each month. The National Good Turn "Scout-

ing for Food" in November produced 75 million cans of food which were turned over to local food banks for distribution to those in need. A similar project is scheduled for this year.

Other programs in 1988 on the national level included a new videotape training series for adult leaders, the introduction of Cub Scout resident camping, emphasis on encouraging more Boy Scouts to reach first class rank, national conferences for Explorer past presidents and Law Enforcement past presidents, and a nationwide satellite New Troop Teleconference with commitments to organize new Boy Scout Troops.

In my home State of Kentucky, more young people than ever were served by Scouting in western Kentucky. This is the sixth straight year that this has occurred, and over 4,700 boys and girls participated in Scouting in 1988. The summer Scouting program continues to improve and last year 747 Scouts went to camp, with over 1,000 preregistered for camp this summer. The office trading post was enlarged by 100 percent so that volunteers with the Scouting program could be better served.

Thirty-one Scouts in western Kentucky attained the rank of Eagle Scout last year. This is a record number, and I would like to especially commend these young people.

The year 1988 was another banner year for Scouting, not only in western Kentucky, but all across the Nation. At this time I would like to congratulate everyone associated with the Boy Scouts of America for their accomplishments and I wish them continued success in all their future endeavors.

#### BILL TO PROHIBIT PURCHASE OF SOVIET URANIUM ENRICHMENT SERVICES BY U.S. UTILITIES

**HON. MARILYN LLOYD**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mrs. LLOYD. Mr. Speaker, I have today introduced a bill indicating that nuclear electric power utilities in the United States should not purchase uranium enrichment services from the Soviet Union.

The United States operates a Uranium Enrichment Program through the Department of Energy, and it is intended to be fully self-sufficient through revenues it generates from the customers it serves. In the recent past, the demand for uranium enrichment services has been substantially reduced causing a significant retrenchment in the Government's program and the closure of one of the Government's three uranium enrichment plants in the United States.

In its desperation for hard currency, the Soviet Union does not apply fair trade practices. The Soviet Union does not operate its uranium enrichment business on the principles of a free market society. They offer their enrichment services at a discount from whatever level is established as the price of enrichment services in the United States. While this may be beneficial for the short-term to purchasers

of uranium enrichment services in the United States, in the long term it is detrimental to the national security and other interests of the United States.

Mr. Speaker, I can remember when the United States objected to the Europeans purchasing natural gas from the Soviet Union. We did that because we feared they would become reliant upon the Soviet Union and reluctant to support the policies of the United States when they contradict those of the Soviet Union. When United States citizens become dependent upon the Soviet Union for the supply of fuel for nuclear powerplants, it provides a potential lever to influence United States policies.

In the long term, it is also potentially detrimental to have domestic electric utilities and others procure Soviet enrichment services because such purchases impair the ability of the United States to continue its Uranium Enrichment Program, which the United States operates for the benefit of electric ratepayers.

The United States operates its uranium enrichment program solely on a cost recovery basis. No profit is obtained for the Government. As the number of customers which are supplied by the Government declines, the unit price of the enrichment services goes up to the detriment of all U.S. utility ratepayers. Although competition with European suppliers of enrichment services has also diminished the market for the U.S. enrichment services, the competition based on free market principles has been healthy for the domestic program. This competition has lowered near-term costs and focused the efforts within the program on supplying the least cost enrichment services over the long term.

However, the Soviet Union is an unfair competitor and enrichment service sales to United States citizens detract from the national energy security of the United States.

For these reasons, Mr. Speaker, I urge my colleagues to join me in cosponsoring this legislation and in expressing the sense of the Congress that dealing with the Soviet Union for these services is something that should be avoided by all domestic customers of the United States Government's Uranium Enrichment Program.

#### DESIGNATING THE CALIFORNIA AND PONY EXPRESS TRAILS AS COMPONENTS OF THE NATIONAL TRAILS SYSTEM

**HON. NORMAN D. SHUMWAY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 23, 1989*

Mr. SHUMWAY. Mr. Speaker, today I am introducing legislation which amends the National Trails System Act to designate the California National Historic Trail and the Pony Express National Historic Trail as components of the National Trails System. As drafted, this legislation reflects, pursuant to Public Law 98-405, the final recommendations of the eligibility study and environmental assessment for the California and Pony Express Trails prepared by the National Park Service at the Department of the Interior which were formally

submitted to Congress on January 30, 1989. These two trails closely parallel one another across the West, and at points in the Great Plains region, become a single pathway.

The Pony Express Trail ran between Saint Joseph, MO, the western terminus of the railroads in 1860, and extended to Sacramento, CA, for a total distance of about 2,000 miles. Upon arrival in Sacramento, the letters and important dispatches were taken by steamer to anxious recipients in San Francisco. The route left Missouri and followed the well-traversed Oregon Trail through Kansas and along the Platte River in Nebraska. Before leaving Nebraska, the route dipped south into Julesburg, CO, then headed north into South Pass, WY. At Fort Bridger, WY, the Pony Express Train left the emigrant trail and swung south to Salt Lake City, UT, before running due west across the salt desert and badlands of Nevada, over the Sierra Nevada Mountains, and down into Sacramento.

Pony Express service began on April 3, 1860, and continued until October 24, 1861, when the first transcontinental telegraph line was completed. During the Pony's 18 months of glory, 318 runs were made each way for a total of approximately 600,000 miles. The mail was lost only once.

Although the Pony Express was a financial disaster for its proponents, it proved that correspondence could be delivered in 8 to 12 days over the central route. Like the transcontinental telegraph and railroad which succeeded it, the Pony Express provided an improved communications link between the widely separated eastern and western segments of the country. It heightened the demand for expedient transcontinental linkage prior to the outbreak of the Civil War. In fact, the fastest time recorded by the Pony Express occurred in November 1860 when news of President Lincoln's election victory was carried from Fort Kearny, NE, to Fort Churchill, NV, in 6 days. It is interesting to note that the Pony Express route is generally followed by the interstate highways and airplane flight paths of today.

The historical significance of the California Trail is no less impressive. The trail was one of the major thoroughfares used by settlers and prospectors in their movement to the West during the mid-1800's. The trail breaks from the Oregon Trail—already included in the National Trails System—at the Raft River, in Idaho, and heads southwest toward Sacramento, CA. There were many branches and side trails which were all heavily utilized, particularly by prospectors. First and foremost, though, the California Trail was the main emigration artery to California and eventually, the Gold Rush. In fact, more than 125,000 men, women, and children trod this trail to settle or prospect on the west coast in 1818 alone.

Mr. Speaker, my legislation is a simple, straightforward confirmation of what the many bipartisan proponents of the original study provisions included in H.R. 3787 considered during the 98th Congress already knew: that the acknowledgment of these two trails is a national priority in order to preserve our American heritage. I strongly urge my colleagues to support this legislation and see to its swift enactment.

CONGRESSIONAL SALUTE TO  
HON. WALTER J. JASINSKI ON  
40 YEARS OF SERVICE TO  
PACKANACK LAKE, NJ, FIRE  
CO., NO. 5 AND THE WAYNE  
TOWNSHIP FIRE DEPARTMENT

**HON. ROBERT A. ROE**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 23, 1989*

Mr. ROE. Mr. Speaker, it is with the greatest admiration that I rise today to salute a truly outstanding civic leader and public servant from my hometown of Wayne, NJ, whose community is truly a better place for his unceasing and dedicated efforts in all aspects of civic life.

I am speaking of the Hon. Walter J. Jasinski, the former mayor of Wayne Township who, on March 3, 1989, will be honored for his tireless and devoted efforts to protect his community through 40 years of outstanding service to Packanack Lake Fire Company No. 5 and the Wayne Township Fire Department, with a testimonial dinner at the Regency House in Pequannock, NJ.

Mr. Speaker, I know this event will be a great source of pride to Walter Jasinski's multitude of colleagues and friends, but most especially to his loving family; his wife, Ruth; his sons, John, David and Jim Jasinski; his daughters, JoAnn Shoemaker and Katie Odom; his daughters-in-law, Sharon, Nancy and Marilyn Jasinski; his sons-in-law, Ritch Shoemaker and Randy Odom, and his nine grandchildren, Tyler, Reed, Hope, Danny, Christopher, Andrew, Ryan and Travis Jasinski, and Sally Shoemaker.

Mr. Speaker, the litany of Walter J. Jasinski's accomplishments, achievements and contributions to his community is, indeed, legend among those who have been fortunate enough to know him. A highly respected engineer by profession who was educated at Tri-State University, Carnegie Tech and the University of Wisconsin, Walter Jasinski has worked to protect his community through his more than four decades of service to the Wayne Township Fire Department and Packanack Lake Fire Company No. 5.

During his long and fruitful tenure, he has served the company in a multitude of capacities, including Wayne fire commissioner and chief of Fire Company No. 5. He has continued his long association with the fire department, currently serving as its assistant treasurer and delegate to the North Jersey Volunteer Fireman's Association.

Mr. Speaker, taken alone, Walter Jasinski's service to the Wayne Township Fire Department would be enough to make anyone proud. But that is only part of the story of his contribution to his community. For a 20-year period beginning in 1964, Walter Jasinski served Wayne as a member of the Township Council (1964-77) representing the municipality's third ward, and as mayor (1977-84).

Among his many other offices, activities and memberships that have provided a great benefit to the people of Wayne Township, Walter Jasinski served as Wayne police commissioner; as a member of the Wayne I-287 River



Rout Committee; as a Boy Scout scoutmaster and merit badge counselor; as township baseball commissioner and director of umpires; as a member of the Wayne board of directors of the American Red Cross; as a member of Wayne Elks Lodge No. 2181; as a member of the Wayne Knights of Columbus Council No. 6354; as a member of the Sports-friends Soccer Club; as a member of the board of trustees of Greater Paterson General Hospital; as a member and president of the Passaic County League of Mayors; as a Passaic County delegate to and vice president of the New Jersey Conference of Mayors; as a member of the Central Basin Flood Committee; as a member of the Pompton Lakes, Oakland and Wayne Organization to Revive Pompton Lakes; as a member of the Polish-American Republican Caucus; as a sustaining member of the New Jersey Republican State Committee, and as a parishioner of Immaculate Heart of Mary Church.

Clearly, Mr. Speaker, while Walter Jasinski is being honored on March 3 for his four decades with the Wayne Township Fire Department, all of those attending this truly special event will be ever mindful of all of Walter J. Jasinski's invaluable contributions to his community and will recognize him for the outstanding public servant and civic leader he is and always has been.

It is with great pride, then, Mr. Speaker, that I ask you to join me in saluting a great New Jerseyman and a great American, the Honorable Walter J. Jasinski of Wayne, NJ, who has truly made his community, his State and his Nation a better place to live.

## CAMPAIGN FINANCE REFORM

### HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. PENNY. Mr. Speaker, today I am introducing a campaign finance reform bill that limits spending for House campaigns and curbs PAC influence by providing for partial public financing of congressional campaigns.

Clearly, the cost of congressional campaigns has escalated dramatically. In 1986, \$210.3 million was spent by House candidates in general elections. Thirty-seven percent of this came from PAC's, up from 29 percent in 1980. Since the last major campaign reform initiative was undertaken, individual participation has declined and reliance on political action committee money has increased significantly. It is time to take steps to reverse this unhealthy trend.

My bill would give taxpayers the option of indicating a contribution of \$1 or more on their tax return form, similar to the Presidential campaign checkoff. However, it is important to note that the money would come from the individual at no cost to the Federal Treasury. Taxpayers would have the opportunity to designate that their dollar fund Democratic candidates, Republican candidates, or all participating candidates. Candidates who choose to participate in this program would be limited to spending \$300,000—\$350,000 for challengers—no more than half of which may come

from PAC's. In addition, my bill would restore the tax credit for political contributions for up to \$50 per individual or \$100 for a joint return as a way of encouraging small individual contributions.

Mr. Speaker, the bill follows:

H.R. —

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. AMENDMENT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 RELATING TO LIMITATION ON TOTAL CONTRIBUTIONS TO GENERAL ELECTION CANDIDATES FOR THE HOUSE OF REPRESENTATIVES WHO AGREE TO ACCEPT AMOUNTS FROM THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"LIMITATION ON TOTAL CONTRIBUTIONS TO GENERAL ELECTION CANDIDATES FOR THE HOUSE OF REPRESENTATIVES WHO AGREE TO ACCEPT AMOUNTS FROM THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND

"SEC. 324. A general election candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress may, in such manner as the Commission shall prescribe by regulation, agree to accept amounts from the appropriate account of the House of Representatives Campaign Trust Fund under section 9511 of the Internal Revenue Code of 1986. A candidate who so agrees may not accept contributions from all sources (including funds from the House of Representatives Campaign Trust Fund) with respect to such election totaling in excess of \$300,000 (\$350,000 if the candidate is not an incumbent of the office involved), of which not more than one-half may be accepted from nonparty multicandidate political committees or from separate segregated funds of corporations, labor unions, and national banks."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to elections occurring after December 31, 1991.

SEC. 2. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986 RELATING TO CONTRIBUTION OF AMOUNTS FOR THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following new part:

"PART IX.—CONTRIBUTION OF AMOUNTS FOR THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND

"Sec. 6097. Contribution.

"(a) IN GENERAL.—With respect to each taxpayer's return for the taxable year of the tax imposed by chapter 1, such taxpayer may include with such return a cash contribution for any account of the House of Representatives Campaign Trust Fund.

"(b) MANNER AND TIME OF CONTRIBUTION.—A contribution under subsection (a) may be made with respect to any taxable year only at the time of filing the return of tax imposed by chapter 1 for such taxable year. Such contribution shall be made on the 1st page of the return."

(b) CLERICAL AMENDMENT.—The table of parts for such subchapter A is amended by adding at the end the following new item:

"Part IX. Contribution of amounts for the House of Representatives Campaign Trust Fund."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 3. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986 RELATING TO THE HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end thereof the following new section:

"SEC. 9511. HOUSE OF REPRESENTATIVES CAMPAIGN TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'House of Representatives Campaign Trust Fund', consisting of such amounts as may be appropriated or credited to such trust fund as provided in this section or section 9602(b).

"(b) ACCOUNTS.—The trust fund shall consist of accounts as follows:

"(1) One account for all qualified candidates. The amounts in such account shall be divided equally among such candidates.

"(2) One account for each major party (as defined in section 9002). The amounts in such account shall be divided equally among the candidates of such party.

"(3) One account for each minor party (as defined in section 9002), if, not later than May 30 of the taxable year involved, such party submits to the Federal Election Commission petitions signed by at least 20,000 registered voters from each of at least three-fourths of the States and declaring that the signers desire the party to be eligible for payments under section 324 of the Federal Election Campaign Act of 1971. The amounts in such account shall be divided equally among the candidates of such party.

"(4) One account for each new party (as defined in section 9002), if, not later than May 30 of the taxable year involved, such party submits to the Federal Election Commission petitions signed by at least 20,000 registered voters from each of at least three-fourths of the States and declaring that the signers desire the party to be eligible for payments under section 324 of the Federal Election Campaign Act of 1971. The amounts in such account shall be divided equally among the candidates of such party.

"(c) TRANSFER OF CONTRIBUTED AMOUNTS.—There are hereby appropriated to the House of Representatives Campaign Trust Fund amounts equivalent to the amounts received in the Treasury pursuant to contributions under section 6097.

"(d) EXPENDITURES.—Amounts in the House of Representatives Campaign Trust Fund shall be available to carry out the purposes of section 324 of the Federal Election Campaign Act of 1971. Expenditures from the Fund shall be made, in such manner as the Federal Election Commission may prescribe by regulation, to each candidate who, not later than September 1 of the year of the election, certifies to the Commission that such candidate and the authorized committees of such candidate have received contributions, during a 2-year election cycle, aggregating not less than \$25,000, in contributions of \$100 or less from individual contributors."

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end the following new item:

"Sec. 9511. House of Representatives Campaign Trust Fund."

**SEC. 4. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986 RELATING TO THE CREDIT FOR CONTRIBUTIONS TO CERTAIN CANDIDATES FOR THE HOUSE OF REPRESENTATIVES.**

(a) **GENERAL RULE.**—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 23 the following new section:

**"SEC. 24. CONTRIBUTIONS TO QUALIFIED CANDIDATES FOR CONGRESS.**

"(a) **GENERAL RULE.**—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the qualified political contributions which are made by the taxpayer during the taxable year.

"(b) **LIMITATIONS.**—

"(1) **MAXIMUM CREDIT.**—The credit allowed by subsection (a) for a taxable year shall not exceed \$50 (\$100 in the case of a joint return under section 6013).

"(2) **VERIFICATION.**—The credit allowed by subsection (a) shall be allowed, with respect to any qualified political contribution, only if such contribution is verified in such manner as the Secretary shall prescribe by regulations.

"(c) **DEFINITIONS.**—For purposes of this section—

"(1) **QUALIFIED POLITICAL CONTRIBUTION.**—The term 'qualified political contribution' means any contribution or gift of money to—

"(A) an individual who is a qualified candidate for election to the office of Representative in any general election for use by such individual to further his candidacy for election to such office; or

"(B) any authorized committee (as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) of a qualified candidate for election to the office of Representative.

"(2) **QUALIFIED CANDIDATE.**—The term 'qualified candidate' means, with respect to the office of Representative, an individual who—

"(A) publicly announces before the close of the calendar year following the calendar year in which the contribution or gift is made that he is a candidate for election to such office, and

"(B) is a candidate for election to such office within the meaning of section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431).

"(3) **OFFICE OF REPRESENTATIVE.**—The term 'office of Representative' means the office of Representative in, or Delegate or Resident Commissioner to, the Congress."

(b) **CONFORMING AMENDMENTS.**—

(1) Section 642 of such Code (relating to special rules for credits and deductions of estates or trusts) is amended by adding at the end the following new subsection:

"(j) **CREDIT FOR POLITICAL CONTRIBUTIONS NOT ALLOWED.**—An estate or trust shall not be allowed the credit against tax provided by section 24."

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the time relating to section 23 the following new item:

"Sec. 24. Contributions to qualified candidates for the office of Representative."

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

**SEC. 5. PROHIBITION OF CONTRIBUTIONS BY MEMBERS OF THE HOUSE OF REPRESENTATIVES AND CANDIDATES FOR THAT OFFICE TO OTHERS WHO ARE SUCH MEMBERS OR CANDIDATES.**

(a) **IN GENERAL.**—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

"(i) An authorized committee of any individual who is a Representative in, or Delegate or Resident Commissioner, to, the Congress, or a candidate for such office may not make any contribution to an authorized committee of any other individual who is a Representative in, or Delegate or Resident Commissioner, to, the Congress, or a candidate for such office."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to elections occurring after December 31, 1989.

**SEC. 6. AMENDMENT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 RELATING TO IDENTIFICATION OF CANDIDATES INTENDING TO BENEFIT FROM INDEPENDENT EXPENDITURES.**

(a) **IN GENERAL.**—Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended by adding at the end the following new subsection:

"(c) Any person who, during the period beginning 30 days before an election and ending on the day of the election, makes an independent expenditure in the form of an advertisement (including any radio advertisement, television advertisement, newspaper advertisement, sign, or billboard) or an informational mailing shall include in the advertisement or mailing the name of the candidate in the election intended to benefit from the advertisement or mailing."

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to elections occurring after December 31, 1989.

**FEDERAL TORT CLAIMS ACT**

**HON. WILLIS D. GRADISON, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. GRADISON. Mr. Speaker, today I am reintroducing legislation designed to correct a serious inequity in the Federal Tort Claims Act. I am pleased to be joined again in this effort by a bipartisan group of cosponsors, including my distinguished colleague, Representative TOM LUKEN.

As you know, in recent years there has been considerable controversy and litigation concerning the role of the Federal Government in the unnecessary exposure of citizens to risks associated with a number of safety and health hazards. In numerous instances, there is considerable documentation of negligence on the part of the Federal Government. This is particularly true in cases of unnecessary exposure to asbestos, but it is also applicable to incidents involving atomic testing and the development of the polio vaccine.

For example, in cases involving asbestos exposure, it has been documented repeatedly that the Federal Government violated its own safety and health standards at the time of the Second World War, and that it failed to warn, or provide protection for, workers in government and contract shipyards. The courts have

found that government officials and safety inspectors were aware of the hazards associated with asbestos exposure and of the dangerous conditions in the shipyards under their control.

Unfortunately, citizens pursuing their cases in the courts have found that the Federal Government can escape any liability for violating its own safety and health standards by exercising a technical legal defense. By invoking the defense of discretionary function provided under section 2680(a) of title 28, United States Code, the Federal Government effectively is able to avoid responsibility.

The case of Shuman versus United States highlights the current problem for citizens seeking redress through the courts. In a 1984 decision, a Federal district court found that the Government had negligently caused the injury and death of a man, exposed to asbestos dust, who worked in a contract shipyard in 1942 and from 1950 to 1953. The court ordered the Government to pay his widow \$145,013 in damages. On appeal, the first circuit court overturned the decision, not on the merits of the case, but on the grounds that the Government was able to exempt itself from liability. Private concerns, in similar cases, have been found liable and ordered to compensate plaintiffs.

In its previous term, the Supreme Court considered two cases which were effected by the general issue of Government liability. In *Berkowitz versus United States*, in spite of the discretionary function defense offered by the Government, the court unanimously held that the Government was partially liable when the Food and Drug Administration wrongfully approved for release to the public an oral polio vaccine. The Court determined that the Government could not shield itself from immunity for all acts arising out of its regulatory programs. However, the court did find that the Government could be insulated from liability in selected cases, but only when its actions and decisions involve an element of choice and are based on public policy considerations.

The second case, *Boyle versus United Technologies, Inc.*, focused on the relative liability of a contractor when a product—in this case, a helicopter—is manufactured to Government specifications. Although the Government was able to maintain its exemption from liability in the case, the Court held that the Government had created the risk which led to a pilot's death and that it was unfair to make the contractor liable.

These examples reflect the uncertainty over who is responsible and who shall bear the appropriate burden for liability in similar situations. In my view, the Federal Government should not be able to hide from its responsibilities in this area. The legislation I am introducing would make it possible for citizens who are injured as a result of the Government's violation of occupational safety and health standards, or by its negligence in workplaces under its control or supervision, to seek to recover damages for those injuries.

I want to stress that the legislation makes no judgment about the merits of the numerous cases currently pending before the courts. It merely asks that the Government be able to prove its case on the merits. If the Govern-



ment did not act negligently, I am certain the courts will recognize that fact. However, if the Government did act in a negligent fashion, it is irresponsible, unjust, and unacceptable for the Federal Government to absolve itself of any responsibility for its actions.

Mr. Speaker, this legislation addresses fundamental questions of equity, fairness, and justice. I urge my colleagues to join me in supporting these principles and this legislation.

#### TRIBUTE TO MR. MAURICE J. CONNELL

#### HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. SMITH of Florida. Mr. Speaker, it is an honor for me to call to the attention of my colleagues the selection of my very good friend Maurice Connell as the recipient of the Greater Hollywood Chamber of Commerce's 1988 Community Service Award. The award, to be presented at a dinner on February 11, 1989 in Hollywood, FL, is given annually in recognition of long and continued service to the community.

Maurie epitomizes the American ideal—that you can accomplish anything you want with hard work and perseverance. His life's accomplishments are a tribute to that belief. An excellent baseball player at the University of Toledo, he went on to try out with the Detroit Tigers. Later, Maurice served his country in the Army as an officer in the Pacific in World War II. Upon returning from the war, Maurice decided to try his hand at three quite different enterprises—a high school basketball coach, a partner in a Ford agency, and in the insurance business. However, Maurice was always drawn to politics, and abandoned his other pursuits to serve as right hand man to former Ohio Gov. Mike DiSalle and followed DiSalle to a position in the Kennedy administration.

At the age of 68, Maurice has not slowed down his hectic pace, serving as president of Maurice J. Connell Enterprises, an intergovernmental consulting firm. He is also the grant coordinator for the city of Hollywood. In this capacity, Maurice has acquired over \$100 million in public funding for parks and land for municipal parking and sewers. In recognition of Maurice's contributions, the Hollywood, FL, City Commission dedicated the Maurice J. Connell parking facility on Hollywood Beach on June 6, 1985. While securing grants for Hollywood takes a great deal of his time, he continues to be a prominent leader in the community, serving on a variety of boards, including the Orangebrook Country Club, Memorial Hospital, Chaminade-Madonna College Preparatory School, the Greater Hollywood Chamber of Commerce, the Kiwanis Club, and the Rotary Club. In addition, while most people use the game of golf for recreation, Maurice uses it as an opportunity to organize charity events for the chamber of commerce, the Sheridan House for Girls, and the Celebrity Tournament of Pembroke Pines.

Maurie's life has taken him to many different venues and to many different occupations. Through it all, Maurice has never lost his good

humor or his uncanny ability to tell a story. While there is no doubt that Maurice has gained success through his interpersonal skills, he is a competitive man who knows how to achieve what he sets out to accomplish. He is admired and loved by everyone who knows him.

It truly is an honor to call Maurice Connell my friend and I am sure that my colleagues join me in congratulating this extraordinary man on his most recent honor.

#### TRIBUTE TO MARY AND JAMES CASHMAN, JR.

#### HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. BILBRAY. Mr. Speaker, I rise today to honor two preeminent civic and community leaders of southern Nevada, James and Mary Cashman, Jr. On Monday, March 6, 1989, Bishop Gorman High School will be honoring Mary and Jim at the seventh annual "Knight of the Gael." They will be recognized at the Palace Station Hotel in Las Vegas for their outstanding contributions and loyalty to the school. They are both truly deserving of this honor.

James Cashman, Jr., is a member of a family traditionally dedicated to the development of southern Nevada and to service to the people of the area. Jim's father arrived in Las Vegas in 1907 and went on to found a business that, with Jim and Mary's help, has grown to include Cashman Cadillac, Inc., Cashman Equipment Co., J&M Aviation, Inc., and James Cashman Co.

After serving in the U.S. Air Force from 1943 to 1945, Jim, a native of Las Vegas, returned to help run the family business and to marry his childhood sweetheart, Mary. Jim and Mary have continued to lend their considerable talents to a number of worthwhile activities. Their commitment to helping others has benefited the Las Vegas community and the State of Nevada.

Jim has always been recognized as a leader in our community. In the Las Vegas Junior Chamber of Commerce—now the Las Vegas Jaycees—he was director of the local chapter, State president, and national director. He has served in every elective and appointive position with the Las Vegas Chamber of Commerce including being its president for two terms. He has been active in key positions with the United Way of Clark County, Boys and Girls Club of Southern Nevada, the University of Nevada, the Elks Club, Rotary Club, and the Boy Scouts of America. He presently serves as president of the Nevada Taxpayers Association. He was a member of the Governor's Higher Education Advisory Committee and also served as an advisor to the Governor's Conference on Manpower and Economic Education.

Mary, born in Whitetail, MT, coming to Las Vegas as a youngster, has been an active member of the board of directors and the State board of trustees of Catholic Community Services of Nevada for over 16 years and served as president of the board of trustees

from 1977 to 1979. She was a founding member of the Service League—now Junior League. She has also served as a member of the Regina Hall Auxiliary since its inception in 1972, the Home of the Good Shepherd Auxiliary and the Sun Youth Forum.

Mr. Speaker, by any standard—be it community service, civic leadership, or professional contributions—Jim and Mary Cashman, Jr., represent the finest in southern Nevada's commitment to excellence. I ask my colleagues to join me today in commending the Cashman's in their well-deserved recognition for outstanding contributions and loyalty to Bishop Gorman.

#### STEEL AND COAL TRADE RECIPROCITY

#### HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. RAHALL. Mr. Speaker, recently, legislation was introduced by the distinguished gentleman from Pennsylvania, JOHN MURTHA, and other steel caucus members, to extend the Steel Import Stabilization Act for an additional 5-year period. I was pleased to join as an original cosponsor of this legislation.

Today, I am introducing a bill which complements the Murtha legislation. The purpose of my legislation is to provide a formula under which imported steel market shares would be determined under extended or renegotiated voluntary restraint agreements.

The Steel and Coal Trade Reciprocity Act of 1989 would award those countries which are good customers of U.S. metallurgical coal with greater shares of the U.S. imported steel market within the overall quota ceiling set by the Steel Import Stabilization Act should it be extended for an additional 5 years. In effect, it would explicitly link the metallurgical coal trade with the steel trade.

This type of linkage makes good sense in light of the fact that metallurgical coal is an essential ingredient in the steelmaking process. While many countries have quantities of steel products they would like to continue exporting to the United States, we similarly have vast tonnages of metallurgical coal we would like to export.

Under this legislation, the amount of steel product imports within the overall ceiling set by the restraint agreements that would be allowed from any given country under any extension of the Steel Stabilization Act Program would be the same ratio that country's purchases of U.S. metallurgical coal bore to the overall level of U.S. metallurgical coal exported to countries subject to the voluntary restraint agreements during the first 5 years of the program, the period from October 1, 1984, through September 30, 1989.

It is indeed time that we as a Nation begin to seek trade reciprocity of the type suggested by this legislation, not only in the area of our steel and coal trade, but for other commodities where direct linkages can be made.

## LYME DISEASE DEMANDS NATIONAL ATTENTION

### HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. GEJDENSON. Mr. Speaker, I would like to call to the attention of my colleagues the importance of a quickly spreading infectious illness called Lyme disease. As an original cosponsor of the "Comprehensive Lyme Disease Act of 1989," and of "Lyme Disease Awareness Week," I hope to see bipartisan support for enhanced research into a cure.

The serious nature of this illness was first brought to my attention by a constituent of mine, Karen Forschner of Tolland, CT. Mr. Speaker, I would like to congratulate Karen for her persistence and hard work in the field of Lyme disease. Karen is the director of the Lyme Boreliosis Foundation in Tolland. The foundation serves as a national information and referral center for those who fear they are afflicted with the disease or those who would like to find out more about this illness. Karen's interest in Lyme disease was sparked after she contracted the disease while pregnant. Unfortunately, her baby developed severe disabilities as a result of Lyme disease. Karen now devotes her time to promoting public awareness and helping others afflicted with this problem.

Lyme, CT, the town where Lyme disease was first discovered in 1975, is in my district. But my concern does not stem from a purely parochial interest. Lyme disease has been reported in over two-thirds of the States in our country, and has even permeated the Halls of Congress. Our former colleague, Berkley Bedell, who represented Iowa's Sixth District for 12 years, contracted the disease while fishing in Virginia and was forced to retire early from Congress due to complications from the disease.

Lyme disease is transmitted by the deer tick. Early symptoms of the disease include a skin rash around the bite and flu-like symptoms such as fever, headaches, body pains, and fatigue. About a month after being bitten by the infected tick, 20 percent of the patients suffer from weakness on one side of the face or dizziness and fainting, caused by the slowing of the heart rate. Arthritis also plagues many Lyme disease patients. In its most severe form, the disease is characterized by chronic fatigue, short-term memory loss, and numbness or shooting pain in the limbs.

Public awareness of the symptoms of the infected tick bite is extremely important. If diagnosed early, the disease appears treatable. That is why education is vital if we are to minimize the effects of this rapidly growing and painful disease. The Comprehensive Lyme Disease Act, offered by Representative HOCHBRUECKNER, would provide funding for research and treatment, allocated by the National Institutes of Health, as well as grants through the Centers for Disease Control to promote public education. The American people must know what to look for if they are to take precautions against Lyme disease.

Lyme disease is not just a Connecticut problem. Although our State has taken a lead

## EXTENSIONS OF REMARKS

in researching this disease, it has become a national problem which demands national attention. I urge my colleagues to learn all they can about this disease and to cosponsor Mr. HOCHBRUECKNER's bill.

### CONGRATULATING THE SCOTTSBLUFF JUNIOR HIGH SCHOOL BAND AND ITS DIRECTOR GEORGENE DIERS

#### HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mrs. SMITH of Nebraska. Mr. Speaker, I rise today to pay tribute to the Scottsbluff Junior High School Band and its director, Georgene Diers, of Scottsbluff, NE, on the band's selection as the winner of the Sousa Foundation's "Sudler Cup."

This prestigious award is given each year in recognition of outstanding excellence in concert performance by a junior high school band. It was awarded to only one junior high school band from the entire country this year. Only nine junior high bands in the entire Nation have received the award during the 5 years the program has been in operation.

This honor was extremely well deserved, and I congratulate the hardworking, talented, and bright young students who made it possible.

The reward reflects the value of Nebraska's educational system and Mrs. Georgene Diers, the band's director, deserves a great deal of credit and thanks for her efforts. She is an admired, respected, and genuinely well-liked teacher who has been inspiring youngsters in the Scottsbluff school system since 1948. Over the past 41 years, hundreds and hundreds of students have had the opportunity and privilege to learn from this remarkable woman.

It is clear that the education Nebraska students receive is good preparation for the challenges of the future. Nebraska students have consistently scored exceptionally high marks in college entrance examinations and have won top prizes, such as the "Sudler Cup," in national competitions. I have no doubt that the high quality and value of Nebraska's educational system is, in large part, due to teachers like Georgene Diers.

Teaching is one of the most challenging careers a young person can choose. I believe teachers have the most fundamental, important, and difficult jobs in our country. Georgene is an example of "the best."

Her efforts have contributed to making Scottsbluff Junior High School a leader in Nebraska, and the Nation, in the drive toward excellence in education. She has worked hard and succeeded in striving for raising academic standards and goals and setting higher expectations for her students.

I am very proud to claim her as my constituent and join her family, friends, students, and colleagues in wishing her the best of luck for many more successful and productive years in the Scottsbluff school system.

And I am privileged to boast of the achievement of the young people in the Scottsbluff

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Junior High School Band. They have my congratulations and admiration.

### A TRIBUTE TO JAMES P. CAPITAN

#### HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. SCHUETTE. Mr. Speaker, it is with admiration and respect that I rise today to pay tribute to James P. Capitan, mayor of Owosso, MI. Jim has been named the "1989 Citizen of the Year" by the Owosso-Corunna Area Chamber of Commerce for his contributions to the community over a period of many years.

A native of Owosso, Jim graduated from Owosso High School in 1943 and attended Michigan State University. He joined his brother Alex in the family business which was founded in 1903. Alex has retired and now lives in Arizona. Jim has been married to his wife, Maxine, for 39 years and they have three children: Mrs. Joseph (Nancy) Gingras of Union City, MO; Tom of Ionia, MI, and Rich, who is a senior at Owosso High School. Jim's wife Maxine was the foster daughter of the late William A. Seegmiller, an Owosso attorney who served as mayor and postmaster of Owosso.

The mayor's first venture into politics was his election to the Shiawassee County Board of Supervisors in 1970. He was board chairman in 1973 and finance chairman in 1971, 1972, and 1974.

In 1980, Jim was appointed to fill a vacancy on the Owosso City Council and was elected mayor in 1983.

Jim and his family are members of Owosso's First Congregational Church where he was a member of the board of deacons and Maxine served for 20 years as the director of Christian education.

Jim is a member of the Owosso Masonic Lodge and has been active as a fundraiser for the Shiawassee United Way and the Shiawassee chapter of the American Red Cross.

I am proud of the work that Jim has done for the people of Owosso. I am pleased to call Jim a friend and to have had the pleasure of working with him. On behalf of the citizens of Shiawassee County who have benefited from his many years of public service, I want to extend my congratulations on this outstanding award.

### "NATIONAL DUCKLING MONTH" RESOLUTION

#### HON. W.G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. HEFNER. Mr. Speaker, I want to call to my colleague's attention a resolution I am introducing today to proclaim May "National Duckling Month."

Duckling is a centuries-old delicacy that is rising in popularity in the United States among



all people, and not just ethnic groups. The U.S. duckling industry—which is nearly 100 years old—produces over 130 million pounds of duckling annually and generates over \$176 million in revenue. The industry employs over 1,000 U.S. citizens and contracts with over 250 family farms.

My colleagues may not be aware of it, but the U.S. duckling industry is now exporting its products by the thousands of tons to over 40 foreign countries—including the nations of the Far East—thereby helping to reduce our national trade deficit.

In addition to recognizing the industry's achievements, my resolution seeks to educate the consumer on the nutritional value of duckling, which is an excellent source of protein as well as being low in sodium and saturated fats.

Mr. Speaker, I want to encourage my colleagues to join me in this effort by cosponsoring "National Duckling Month."

### TRIBUTE TO BLACK CHURCHES IN THE UNITED STATES

**HON. JAMES A. TRAFICANT, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 23, 1989*

Mr. TRAFICANT. Mr. Speaker, I stand today during this month that was specifically designated as a time to honor African-American history, and black individuals, organizations, and institutions that have contributed to the development of American society, to pay tribute to the one group that embodies the dedication and drive of those who have contributed so much to African-American history and culture—the black churches of our country.

This month, we recognize the role of the black churches as the focal point for religious practice and social interaction as well as their role in stimulating the development of organizational experience, self-government, and leadership within the black community.

We recognize the contributions of the black church leaders in their ongoing campaign for civil and human rights: From the founders of the black churches in America, to the Reverend Oliver Brown whose lawsuit brought the historic Supreme Court decision in *Brown versus Board of Education*, outlawing segregation in public schools, and from the Reverend Martin Luther King, Jr., whose words and deeds stirred the conscience of a nation, to the thousands of black ministers across the Nation who continue to carry on the dreams of their forefathers.

This month, we join the many organizations around the country that are recognizing and honoring black churches and African-American history and culture. Let us take the extra time this month to pause and think about the many contributions of the black churches of America. We truly owe them a great deal. I ask the House to join me today in paying tribute to this special and treasured part of our American society.

### LEGISLATION TO CLOSE LOOP- HOLES IN FEDERAL TRANS- PORTATION

**HON. CURT WELDON**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 23, 1989*

Mr. WELDON. Mr. Speaker, I am pleased to be joined by nine of my colleagues in introducing legislation which will close a loophole in Federal transportation law. I am amazed that there is no statute which prevents a railroad employee from leaving the scene of an accident.

The bill I am introducing today will prevent a railroad employee from leaving his post after an accident unless relieved by the proper authorities or unless the safety of the worker is jeopardized by remaining at the post.

I offered this bill last year, as H.R. 4067. It was incorporated into the Railroad Drug Abuse and Prevention Act of 1988, which was passed by the House. The Senate, however, failed to act on the bill before adjournment of the 100th Congress.

This is not a punitive measure. It does not increase the punishment for those who cause an accident. The bill, instead, is designed to better protect the rail traveler. Further, the bill could substantially increase rail safety. If railroad workers know that they cannot run from the scene of an accident, they may be less likely to use alcohol or drugs while at work.

Like many of my colleagues, I am a frequent rail traveler. This small amendment to Federal transportation policy will help improve the safety of a system on which so many Americans rely everyday. I hope that we can work quickly to make this important change in Federal transportation law.

### RAISE THE MINIMUM WAGE TO \$4.35

**HON. GERALD D. KLECZKA**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 23, 1989*

Mr. KLECZKA. Mr. Speaker, today I have introduced legislation to raise the minimum wage. The Congress must act quickly to raise the wage of the poorest paid workers. Full-time, year round minimum wage workers earn only \$6,968 per year. Since the wage was last increased in 1981 inflation has eroded its purchasing power by over 30 percent. Increasing the wage would save millions of Americans from poverty while reinforcing the values of hard work and self-reliance that we so greatly value.

Inflation has had a particularly devastating effect on minimum wage workers who support families. Currently the yearly earnings of a minimum wage worker with two children provide a standard of living more than 24 percent below the poverty line. Increasing the wage would help these families to pull themselves out of poverty.

The growth of low wage jobs across the country and in my home state of Wisconsin makes it particularly important that we raise

the minimum wage. It is certainly true that our economy has expanded in the last few years and many new jobs have been created. But the fact remains that in Wisconsin since 1979 there has been a net loss of high wage jobs and a positive explosion in the numbers of low wage jobs.

An astonishing 73 percent of the increase in employment in Wisconsin from 1979 to 1988 was in the low wage sector of the economy. For instance, more than one-quarter of the increase in jobs was in the retail trade industry which paid an average of just \$9,350 per year. How can anyone raise a family on this? It's impossible.

Given the enormous growth in low wage jobs it is particularly important that we raise the minimum wage. The key to U.S. economic success has always been the large U.S. middle class. Its purchasing power has stimulated increases in productivity and consumer demand. Unless we raise the minimum wage, the proliferation of low wage jobs will continue and the wages of middle class Americans could be undercut. Raising the minimum wage can help guarantee a bright economic future for all Americans.

Just over 50 years ago Franklin Roosevelt asked the Congress to enact our first minimum wage laws. In his message to Congress Roosevelt said "Our Nation so richly endowed with natural resources and with a capable and industrious population should be able to devise ways of insuring to all our able-bodied working men and women a fair day's pay for a fair day's work." This is no less true today than it was 50 years ago. We must raise the minimum wage.

### HONORING COAST GUARD PETTY OFFICER KELLY M. MOGK

**HON. SILVIO O. CONTE**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 23, 1989*

Mr. CONTE. Mr. Speaker, I rise today to honor Aviation Survivalman Third Class Kelly M. Mogk for her citation for heroic achievement as a rescue swimmer aboard H-65 helicopter 6515 on the morning of January 3, 1989.

Kelly was born June 7, 1966 in Minneapolis, MN. She graduated from high school in 1984 before entering the Coast Guard. In October 1986 she completed emergency medical technician training, thereby becoming fully qualified for all rescue swimmer duties. She had the distinction of being the first woman graduate from the Navy's rescue swimmer school in Pensacola, FL.

Mr. Speaker, Kelly Mogk on January 3, 1989 committed a truly heroic act. While serving as a rescue swimmer aboard H-65 helicopter 6515, an urgent distress call was received from an F-4 Phantom which had just ditched 35 miles west of Tillamook Bay. The pilot and navigator had ejected.

After battling violent winds and breaking waves, Petty Officer Mogk eventually reached the downed pilot. With the pilot barely conscious, suffering compound fractures of both

legs, a broken shoulder, and severe hypothermia, Petty Officer Mogk freed the pilot from his entanglement.

While the wounded pilot was taken out of danger and flown to the nearest hospital, Petty Officer Mogk was left waiting in the sea for the next available helicopter. She was returned to Astoria where she was treated for exhaustion and hypothermia.

Mr. Speaker, I would like to commend Petty Officer Mogk for her courage, judgment, and devotion to her duty. She is just a fine example of the Coast Guard's motto *Sempre Paritos* which means "always ready." Without her being "always ready," those downed airmen may not have survived to continue to serve their country. Kelly Mogk has portrayed the dedication and excellence that has been continuously exhibited by the U.S. Coast Guard.

#### LEGISLATION PROHIBITING OPEN ALCOHOL CONTAINERS IN VEHICLES

### HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, today I am introducing legislation to encourage States to take a stronger stand against drunk driving. As you may know, 24,000 people are losing their lives to drunk driving each year. As the most widely abused drug in America, alcohol continues to kill an average of 65 people per day on our streets and highways. That is why I feel such an urgency about promoting effective countermeasures to deal with the problem.

Do you know that it is possible to drive—following a reasonably direct route—from the New Hampshire-Canadian border south to Pensacola, FL, and then west to Reno, NV—approximately 4,000 miles, drinking all the way?

In 15 States you can actually drink while driving without violating the law. In 23 States passengers can drink in the car. Allowing open containers in automobiles is senseless.

This is why I am introducing legislation to require States to enact laws prohibiting open alcohol containers in vehicles. Similar to the law setting 21 as the legal age for purchasing alcohol, this bill would withhold 5 percent of the State's highway funds if it does not comply.

Sure withholding State highway moneys is a serious penalty, but drunk driving is a serious nationwide problem; a problem that must be addressed now.

#### WELCOME TO 40 NEW U.S. CITIZENS

### HON. TOM SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. SAWYER. Mr. Speaker, I rise today to extend a warm welcome to 40 residents of my district who took the oath of allegiance as

U.S. citizens on November 18, 1988, in Akron, OH.

These 40 new Americans have come from Europe, Asia, South America, Canada, India, and the Middle East. All enrich our Nation with the cultures and traditions from which they came. I would like to include their names in this RECORD so that my colleagues can join me in offering our congratulations to each of them on this special occasion:

Abraham Anthony Boom, Jr., Evangelos Kamvouris, Maria Kamvouris, Rudy Caesar Rio, Wonna Sehzie, Ythamar Grose, Thongsouk Vilaivong, Esmail Hosseinarab, Lorraine Ann Blackman, Stavros Theophilos Constantinou, Abdelghani Fares, Xuan-Mai Thi Tran, Sumana Montri Sarkar, Douglas Lamont Leavitt, Ling Quang, Yan Lu Chuang, Oanh Yen Truong, Jean Ann Parsons, Sun Pong Kim, Aurelia Gordon, Yeou-Cheng Suen, Hamedah Saleh Yahia, Saleh Ahmed Yahia, Urte Kurlich, Paul Mascarin, Mohammed Suietman Natour, Rola Mansour Muakkassa, Ziad Hikmat Najib, Nathan Ida, Vera Ida, Grace Feng Wang, Donald Leo Tri in behalf of Jenny Irene Tri, Nickolas Peter Neckar, Cveta Minev, Alexander Emil Minev in behalf of Julia Renee Ninev, Korn Sripahan, Satkari Jash, Eugene and Linda Rohrbough in behalf of Zachary William Rohrbough, Dale and Mary Jean Leonhardt in behalf of Don-Tomis Leonhardt.

There are few in this world who are able to choose the Nation to which they will pledge their allegiance, yet these individuals have chosen to become citizens of the United States of America. As a nation, the United States has always drawn its greatest strengths from the many diverse backgrounds and traditions of its people, and I am sure that these new citizens will add to the strength and prosperity of the Nation we all share.

#### A TRIBUTE TO UKRAINIAN INDEPENDENCE

### HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. SAXTON. Mr. Speaker, last month, Ukrainian-Americans celebrated the 71st anniversary of the proclamation of Ukrainian independence. It is indeed an honor for me to pay tribute to the unswerving spirit of the Ukrainian people. I would like to take this opportunity both to plead support for the Ukraine and its peoples and to encourage the Soviet leadership to relax its iron fist and grant individual's rights to freedom of religion and cultural practices.

The history of Ukrainian cultural suppression has been brutal. In an effort to centralize all aspects of Soviet life, Josef Stalin, outlawed Byzantine-rite Ukrainian Catholics, and violently ordered the Ukrainians to merge their culture under the umbrella of the forcefully created Soviet life.

As you can see, Mr. Speaker, life in the Ukraine has gone through many cycles of oppression. The American people do not forget the notorious famine and purges and other episodes of misrule during the reigns of Josef Stalin and his successors. Despite this subju-

gation, the dream for freedom of the men and women of the Ukraine has demonstrated its unshaken determination to survive. It has lived through seven decades of domination.

The marking of the Ukrainian 70th anniversary should energize all in encouraging the Bush administration to address freedom and amnesty issues with the Soviet Government. If the Soviet Union is indeed genuine in its efforts of glasnost and perestroika, then, I believe the individual's right to freedom of culture and religion must undeniably be observed.

#### DR. DEWAYNE WHITTINGTON: AN INSPIRATION

### HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. DYSON. Mr. Speaker, Congress has always recognized the value of education in America. With this in mind, I rise today to honor one of the great educators from Maryland's First District, Dr. Harrison DeWayne Whittington. Dr. Whittington is superintendent for Somerset County schools, and the first black superintendent on Maryland's Eastern Shore. He is an inspiration to all of the students in the county and to all of us who appreciate dedication to public service.

Known by family and friends as a modest man, Dr. Whittington doesn't boast about his accomplishments, but lives by his aunt's advice: "Let the works I do speak for me." His works speak loudly. He has led or served on 29 education-related committees and 45 community organizations, while still finding time to be active in the Shiloh United Methodist Church. He has received 39 honors and awards, including Community Leader of America, Personalities of the South, and the Martin Luther King Achievement Award.

Dr. Whittington's dedication to community service is exemplified by his efforts with Shore Up!, Inc. Shore Up! is a community action agency involved in service projects such as the Head Start Program, full assistance for low-income families, employment, and food distribution. In his 15 years with this organization, Dr. Whittington has been a powerful advocate for children and youth. He was instrumental in getting facilities for the food assistance program, and for distributing this food to some 3,500 Somerset County residents. As a member of the training and employment advisory council, he has used his business knowledge to help participants find and keep jobs, jobs that might never have been found without his help.

But for all of these accomplishments, Dr. Whittington is most known as an educator. He has served as title 1 coordinator, director of Federal programs, coordinator of special programs and supervisor supporting services, and assistant superintendent for Somerset County Schools. In 1974, he was coordinator of human relations for the Maryland State Department of Education. Now he has added to his credentials by being named superintendent of Somerset County Schools.



Dr. Whittington is an inspiration for all of us, but especially to our Nation's youth. He was not born with the advantages that many of us can claim. His mother died when he was only 9 days old. He was raised by his grandparents. Education was something he had to work hard to obtain. Throughout high school he served as a custodian in the Somerset County school system, the same system he now leads. He worked his way through Morgan State University, and later earned his master's degree in education from Pennsylvania State University. Dr. Whittington has proven that vision and a commitment to hard work can overcome some of life's most formidable obstacles.

Mr. Speaker, I proudly salute Dr. Whittington. He could not point to a better example for our Nation's youth. His accomplishments will continue to grow, and our educational system and communities will continue to benefit from his work.

### ESTONIA'S INDEPENDENCE

#### HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mrs. KENNELLY. Mr. Speaker, February 24, 1989, marks the 71st anniversary of the proclamation of the independence of Estonia.

Estonia's independence was hard won. In the years that followed their 1918 proclamation, the people of Estonia had to fight off the occupations of both Germany and Russia. But the Estonian love of freedom prevailed, and the Estonian Constitution of 1920 is testimony to the Estonian commitment to human rights and the dignity of the individual.

Catastrophically, tragedy struck Estonia's people in 1940 when Estonia, along with Lithuania and Latvia, were forcibly incorporated into the Soviet Union. A reign of terror followed in which an estimated 60,000 Estonians were arrested, imprisoned, and then herded into freight cars and sent to the far reaches of the Soviet Union. Next, the people of Estonia endured what amounted to martial law for 3 years under the Nazis. In 1944, the Soviets reoccupied Estonia.

The people of Estonia have suffered greatly but they have not and will not give up hope for their homeland, nor will they give up their culture and their language. The United States has never recognized the Soviet occupation of Estonia. We applaud the people of Estonia for their unwavering commitment to freedom and the dignity of each individual.

Listening to the claims of glasnost, the people of Estonia are demanding greater cultural and national autonomy. Glasnost has brought some hope to all of those who live under the yoke of Soviet oppression. Here in this country we share in that hope for a better life for the people of Estonia hoping that glasnost is much more than rhetoric.

Mr. Speaker, I join Connecticut's Estonian Society in their observance of the 71st anniversary of the proclamation of independence of Estonia. I believe all of us in this Chamber hope, along with free people across the world, that someday soon, the people of Estonia will once again be free.

### TRIBUTE TO BEN AND DOTTY KAUFMAN

#### HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. FEIGHAN. Mr. Speaker, on February 20, Ben and Dotty Kaufman of Cleveland, OH, celebrated their 50th wedding anniversary. I would like to take this opportunity to congratulate them on reaching this milestone.

Ben and Dotty are native Clevelanders, one from the southeast side and one from Cleveland Heights. Just after World War II, the Kaufmans met and married. Together, they decided to settle on Cleveland's eastside and raise their family.

In 1951, Ben took control of the Brothers Printing Co. What started as a small "Ma and Pa" operation has blossomed into one of the most respected businesses in the area. Ben put to use his background in printing as Dotty sharpened her secretarial/bookkeeping talents. Many a late night was spent getting the new business on its feet. Despite their success and passing years, one can still find Ben working well past midnight.

Over the years, Mr. and Mrs. Kaufman have given so much back to their community. Through 50-plus years with organizations such as the International Typographical Union, Ben has won the respect of his colleagues. In addition, Ben was recognized as Mason of the Year for the Forest City Masonic Lodge and Man of the Year for the Heights Jewish Center Synagogue. Mrs. Kaufman chairs the Heights area Red Cross and is a member of B'nai B'rith.

Perhaps their most notable achievement is the terrific family that they have raised. Ben and Dotty instilled the value of a college education in each of their four children; Roseann, Laura, Jay, and David. All four graduated from Ashland College.

Ben and Dotty serve as a shining example through their deep love, strength, and sense of family. Their 50 years of marriage give us all a little more hope and reassurance that it can be done. Congratulations, 50 years and still going strong.

### ESTONIAN INDEPENDENCE: MICHIGAN ESTONIAN COMMUNITY KEEPS THE FLAME OF HOPE ALIVE

#### HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. BROOMFIELD. Mr. Speaker, I want to call the attention of my colleagues to a celebration of hope and freedom, the 71st anniversary of the proclamation of Estonian independence.

On February 24, the Estonian community of Detroit and Michigan will mark this historic occasion with a church-service program in Farmington Hills, MI.

The winds of change are blowing in the Baltic. Freedom is in the air. In recent months,

the Baltic Republic of Estonia reaffirmed its recent assertion that it has the right to veto Soviet law. This clearly underscores its intention to seek greater autonomy from Moscow. The Estonian Supreme Soviet also adopted an amendment to the constitution declaring Estonian the official language of the Republic.

I commend the determination of the Estonian people in their struggle for greater independence to include cultural and religious freedom. Estonia has led the way in calling for more political and economic autonomy for the three Baltic Republics. We all remember that the Baltic Republics, Estonia, Latvia, and Lithuania had but a brief moment in the light of freedom. Their independence between the world wars was brutally ended when the Soviet Union annexed those countries in 1940. The Estonian people have never abandoned their struggle to regain that lost liberty.

I want to commend the Estonian community of Detroit and Michigan for keeping the flame of hope alive. They never forgot the sufferings and the aspirations of their friends and relatives in that closed police state. To a large degree, the progress that is now being made in winning greater freedoms for the Estonian people is due to the support of the Michigan Estonian community and its commitment to liberty for all people.

I urge all of my colleagues in the Congress, as well as the administration, to keep up the pressure for greater freedoms in the Soviet Union. We must support the legitimate nationalistic aspirations of the Estonian people.

### FAMILY LIVING WAGE ACT OF 1989

#### HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 23, 1989

Mr. PETRI. Mr. Speaker, today I introduced the Family Living Wage Act of 1989.

The Family Living Wage Act would increase the earned income tax credit [EITC] and vary it by family size. Its objectives are to supplement wages according to need, as determined by family size, to help people support families by working rather than on welfare, and in particular to help with the costs of child care, which are heaviest for preschool children.

Under current law, low-wage workers with children will receive, in 1991, a maximum earned income credit of about \$1,000 per year which can be added to their regular paychecks as "reverse withholding" if they don't have enough tax liability against which to take it. As their incomes rise from \$11,000 to \$21,000, the credit phases down to zero.

Starting in 1991, the Family Wage Act would provide workers at or near the minimum wage a base credit of \$1,050 per year plus \$700 per preschool child and \$350 per school age child, for up to four children. The maximum credit, for a family with four preschool children would be \$3,850 per year which is equivalent to an extra hourly wage of \$2.08. A low-wage worker with two preschoolers would receive \$2,450, equivalent to a wage of \$1.32. These amounts are fully indexed to inflation.

As family income rises above \$8,000 per year, the credit phases down gradually until a minimum credit of \$200 per preschooler and \$100 per school-age child is reached at incomes in the midtwenties, depending on family configuration. This minimum benefit applies to all middle-class families with incomes up to \$40,000, after which it phases out by \$45,000.

Although the Family Living Wage Act reveals the current dependent care credit [DCC], its minimum EITC benefits actually cost slightly more than providing the DCC for middle-class families in the relevant income range. The EITC just spreads the money fairly across all these families, rather than giving all of it to the minority of families that pay others for child care. Under the bill, all the following types of middle-class families will be better off: Those who forgo income in order to provide child care themselves, those who use relatives or other unpaid sources of care, those who pay small amounts for care, and some who pay substantial amounts for care but have large families. A minority of families will be somewhat worse off but still receive significant benefits.

The bill meets all the basic tests of a sound approach to helping families care for children. First, all the money spent is given directly to parents. None is wasted on bureaucracy. Second, it allows the parents to decide what kind of care their children will receive, not anyone else. Third, it concentrates the available help at the low end of the income scale. Fourth, it provides equal amounts of help to all families with any given set of characteristics.

Finally, it does not discriminate against people who care for their own children in favor of dual earner couples and others who pay other people to care for their children. Those who care for their own children forgo income to do so, work just as hard as those who work outside the home, and often make the greatest economic sacrifices. Any program to help people with children that discriminates against those who work in the home denies the value of that work and is fundamentally unfair. Since the current dependent care credit is not only unfair in this way but also highly regressive—most of its benefits go to the highest income families, it is far better policy to eliminate it and fold its cost into the EITC as is done by the Family Living Wage Act.

Of course, the bill can help families with any of the costs associated with having children, not just the need to look after them, and its benefits are not limited just to families with preschoolers, for whom the child care need is greatest. By directly supplementing the wages of low-income workers with children, it achieves the broader objective of providing general help to these families based on economic need as determined by family size. It thereby achieves the same objective as an increase in the minimum wage but does it in a far better and more targeted way, while avoiding the job losses and inflation associated with minimum wage increases. In particular, it helps millions of family heads already earning more than \$4.65 per hour or any other level to which the minimum wage might be raised. A minimum wage boost, by contrast, helps

mainly young, single, entry level workers who still manage to find jobs. It is a far cruder tool.

The child care issue and the minimum wage issue are both concerned with the same basic objective, helping low-income working families with children. By achieving that objective with direct wage supplements geared to family configuration as provided in the Family Living Wage Act, we also achieve another goal—helping low skilled family heads earn more working than they would receive on welfare, and thereby helping them get into the work force. This is welfare reform, round II. It advances the principle that one's basic income should be what he or she can earn working, and then if society determines that more is needed, society should supplement those earnings.

By enabling some people to move off welfare into the work force, the bill should help us achieve significant savings in welfare costs. Exclusive of any such savings, the bill's net cost is projected at about \$3 billion per year, which will be scored for budget purposes as starting mostly in fiscal year 1982. The overall cost of the EITC will move up from about \$6.3 billion under current law to about \$13.3 billion, with \$4 billion of the increase paid for by the repeal of the dependent care credit. Of the \$4 billion saved from the dependent care credit, about \$2 billion is used to provide the minimum EITC benefits for middle-class families.

While welfare savings should lower the real cost of the Family Living Wage Act far below \$3 billion, the cost of alternative child care oriented proposals tends to be about \$2.5 billion and the real Federal budget cost of raising the minimum wage to \$4.65 is projected by the Council of Economic Advisers at \$2 to \$6 billion. Clearly the bill is a cost-effective approach to addressing a number of needs in one package.

Mr. Speaker, at this point in the RECORD I would like to insert a copy of the bill and a summary of the Family Living Wage Act:

#### H.R. 1104

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Living Wage Act".

#### SEC. 2. INCREASE IN EARNED INCOME TAX CREDIT.

(a) GENERAL RULE.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the credit percentage of so much of the earned income for the taxable year as does not exceed \$7,000.

"(2) LIMITATION.—The amount of the credit allowable to a taxpayer under this subsection for any taxable year shall not exceed the excess (if any) of—

"(A) the credit percentage of \$7,000, over

"(B) the phaseout percentage of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds \$8,000.

"(b) PERCENTAGES.—For purposes of subsection (a)—

"(1) CREDIT PERCENTAGE.—

"(A) IN GENERAL.—The credit percentage is the percentage equal to the sum of—

"(i) 15 percent,

"(ii) 5 percent for each school age qualifying child, plus

"(iii) 10 percent for each preschool age qualifying child.

"(B) NOT MORE THAN 4 CHILDREN TAKEN INTO ACCOUNT.—Not more than 4 children shall be taken into account under subparagraph (A), and preschool age qualifying children shall be taken into account before any other children are taken into account.

"(2) PHASEOUT PERCENTAGE.—

"(A) PHASEDOWN TO MINIMUM BENEFIT.—

"(i) IN GENERAL.—The phaseout percentage is the percentage determined in accordance with the following table:

If the combination of qualifying children taken into account under paragraph (1) is—	The phaseout percentage is—
1 S.....	10
2 S, or 1 P.....	11
3 S, or 1 S and 1 P.....	12
4 S, or 2 S and 1 P, or 2 P.....	13
3 S and 1 P, or 1 S and 2 P.....	14
2 S and 2 P, or 3 P.....	15
1 S and 3 P.....	16
4 P.....	17.

"(i) SYMBOLS USED IN TABLE.—For purposes of clause (i)—

"(I) S means school age qualifying child, and

"(II) P means preschool age qualifying child.

"(B) MINIMUM BENEFIT FOR TAXPAYERS WITH INCOMES BELOW \$40,000.—Except as provided in subparagraph (C), subparagraph (A) shall not apply so as to reduce the credit allowed by this section to a taxpayer to less than the minimum benefit determined in accordance with the following table:

"If the phaseout percentage applicable to the taxpayer is—

10.....	\$100
11.....	200
12.....	300
13.....	400
14.....	500
15.....	600
16.....	700
17.....	800.

"(C) PHASEOUT OF MINIMUM BENEFIT.—If the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year exceeds \$40,000, the minimum benefit determined under subparagraph (B) shall be reduced by 15 percent of such excess.

"(3) SPECIAL RULES FOR INDIVIDUALS WHOSE ONLY CHILDREN HAVE ATTAINED AGE 16.—For purposes of this section, in the case of an individual who is an eligible individual solely by reason of children each of whom has attained age 16 as of the close of the taxable year—

"(A) the credit percentage shall be 14 percent,

"(B) the phaseout percentage shall be 10 percent,

"(C) '\$11,000' shall be substituted for '\$8,000' in subsection (a)(2)(B), and

"(D) subparagraphs (B) and (C) of paragraph (2) shall not apply."

"(b) QUALIFYING CHILD, ETC., DEFINED.—Subsection (c) of section 32 of such Code is amended by adding at the end the following new paragraph:



**"(3) QUALIFYING CHILD.—"**

"(A) IN GENERAL.—The term 'qualifying child' means any child (within the meaning of section 151(c)(3)) of the eligible individual if—

"(i) such individual is entitled to a deduction under section 151 for such child or would be so entitled but for paragraph (2) or (4) of section 152(e), and

"(ii) such child has the same principal place of abode as such individual for more than one-half of the taxable year.

"(B) PRESCHOOL AGE QUALIFYING CHILD.—The term 'preschool age qualifying child' means any qualifying child who has not attained age 6 as of the close of the taxable year.

"(C) SCHOOL AGE QUALIFYING CHILD.—The term 'school age qualifying child' means any qualifying child who has attained age 6 but not age 16 as of the close of the taxable year."

**(c) ADVANCE PAYMENT PROVISIONS.—**

(1) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number and ages of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year."

(2) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "14 percent" in subparagraphs (B)(i) and (C)(i) and inserting "the credit percentage",

(B) by striking "subsection (b)" in subparagraph (B)(ii) and inserting "subsection (a)(2)", and

(C) by adding at the end the following new sentence: "For purposes of this paragraph, the credit percentage shall be determined under section 32(b) on the basis of the number and ages of qualifying children specified in the earned income eligibility certificate and the determination of the amounts referred to in subparagraph (B)(ii) shall be made on the basis of the number and ages of qualifying children so specified."

(3) Clause (i) of section 3507(e)(3)(A) of such Code is amended by inserting before "or" the following: "(or changing the percentages applicable to the employee under section 32(b) for the taxable year)".

**(d) CONFORMING AMENDMENTS.—**

(1) Paragraph (2) of section 32(f) of such Code is amended—

(A) by striking "subsection (b)" each place it appears in subparagraphs (A) and (B) and inserting "subsection (a)(2)", and

(B) by adding at the end the following new sentence: "Separate tables shall be prescribed for each of the phaseout percentages specified in the table contained in subsection (b)(2)(A)(i)."

(2) Paragraphs (1) and (2) of section 32(i) of such Code are amended to read as follows:

"(1) IN GENERAL.—In the case of any taxable year beginning after 1991, each amount referred to in paragraph (2) shall be increased by an amount equal to—

"(A) such amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins by substituting '1990' for '1987' in subparagraph (B) thereof.

"(2) AMOUNTS.—The amounts referred to in this paragraph are—

"(A) the credit percentages used for purposes of subsection (a),

"(B) the \$8,000 amount contained in subsection (a)(2)(B) and the \$11,000 amount contained in subsection (b)(3), and

"(C) the \$40,000 amount contained in subsection (b)(2)(C)."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990; except that the amendments made by subsection (c) shall take effect on January 1, 1991.

**SEC. 3. DEPENDENT CARE CREDIT LIMITED TO HANDICAPPED DEPENDENTS AND SPOUSES.**

(a) IN GENERAL.—Paragraph (1) of section 21(b) of the Internal Revenue Code of 1986 (defining qualifying individual and employment-related expenses) is amended by striking subparagraph (A), by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively, and by adding at the end the following new sentence: "In the case of an individual described in subparagraph (A) who has not attained age 15 as of the close of the taxable year, such individual may be treated as a qualifying individual for purposes of this section only if the taxpayer elects not to treat such individual as a qualifying child under section 32 for such year."

**(b) CONFORMING AMENDMENTS.—**

(1) Subparagraph (B) of section 21(b)(2) of such Code is amended by striking "care of—" and all that follows and inserting "care of a qualifying individual who regularly spends at least 8 hours each day in the taxpayer's household."

(2) Paragraph (2) of section 21(d) of such Code is amended by striking "subsection (b)(1)(C)" and inserting "subsection (b)(1)(B)".

(3) Paragraph (5) of section 21(e) of such Code is amended—

(A) By striking "is under the age of 13 or" in subparagraph (B), and

(B) By striking "subparagraph (A) or (B) of subsection (b)(1) (whichever is appropriate)" and inserting "subsection (b)(1)(A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

**SEC. 4. ELIMINATION OF PROPOSED CHANGES IN TREATMENT OF EARNED INCOME CREDIT IN DETERMINING CERTAIN WELFARE BENEFITS.**

Paragraphs (1) and (2)(A) of section 402(c) of the Family Support Act of 1988 are repealed.

**FAMILY LIVING WAGE ACT**

Summary: Restructure existing earned income tax credit (EITC) as follows:

In 1991, for families with children, provide refundable credit against up to \$7000 of annual earned income at percentage rates differentiated by family size as follows: base credit—15% (\$1050 maximum base); each pre-school child (age 0 to 5)—extra 10% (extra \$700 maximum); each school-age child (6 to 15)—extra 5% (extra \$350 maximum).

Four child limit; maximum benefit for family with 4 preschool children is \$3850 (\$1050 base plus \$700 for each child).

Reduce credit by 10% (for lowest credit level) to 17% (for highest credit level) of the amount of total income that exceeds \$8000.

Minimum credit of \$200 per pre-school child and \$100 per school-age child extends from mid-twenties up to \$40,000 income, then phases out at 15%.

Repeal current dependent care credit (which is highly regressive and unfair to people who forgo outside income in order to work in the home).

Index phase-in percentages and phase-out starting point for inflation.

People whose only children are over 15 receive only current law EITC.

Cost: \$3 billion, starting in FY '92.

Minimum benefit plateau accounts for \$2 billion, and costs about the same as retaining the dependent care credit for those families, but spends that money fairly across all families in the relevant income range, not just the minority currently eligible for the dependent care credit.

Purposes: Increase work incentives for welfare families according to the need for incentives, as determined by family size and welfare payment size.

Achieve the same objective as minimum wage increases (to help low skilled workers support families) directly and efficiently, targeting help to those who need it in proportion to their need, including millions already earning more than a \$4.65 minimum (reached under H.R. 2 in 1992), without the inflation and job losses associated with minimum wage hikes.

In particular, help families with the costs of child care (heaviest for preschool children), independently of whether others are paid to provide care or one family member forgoes income in order to provide care, and concentrating that help at the lowest income levels while retaining maximum parental freedom to make appropriate arrangements for care.